FBIS DAILY REPORT

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RETURN OF CITIZENS FROM ITALIAN EMBASSY DEMANDED

AU212000 Tirana Domestic Service in Albanian 1900 GMT 21 Dec 85

[Text] Report by ATA: On 12 December 1985 six members of one family -- two men and four woman -- from the Duress district hid in the Italian Embassy in Tirana. In spite of demands of the Ministry of Foreign Affairs to the Italian Embassy in Tirana and the Foreign Ministry in Rome that these people be handed over at once to Albanian authorities, the matter has still not been solved. Abusing the right of diplomatic immunity, the Albanian citizens are still being kept in the Italian Embassy. This activity constitutes an unacceptable intervention in the internal affairs of Albania by Italy and a breach of her national sovereignty. It ignores the fact that the embassies of every country are sent and accredited to other countries to develop good reciprocal relations and to contribute to the coming together and friendship of peoples, while respecting the laws, customs and sovereignty of the countries where they are situated. Their mission is not to give shelter to vagabonds, troublesome elements discredited before their own people. To no one, to no foreign institution, to no embassy does Albania give the right to [word indistinct] or pass judgement on her citizens. Every attempt to encourage and organize the carrying of her citizens out of the country constitutes an arrogant interference in her internal affairs. To this, no one -- least of all the People's Socialist Republic of Albania -- can make exceptions. The Albanian people and government have not and do not allow anybody to threaten their independence and national sovereignty, to breach or denigrate it on whatever pretext.

The people in refuge in the Italian Embassy are individuals compromised in anti-state activity, in the service of a foreign state. One of them has already been penally sentenced for such a thing, while the others have been advised to give up their mistaken ways. Their father, Moisi Popa, was a well-known collaborator with the Fascist Italian and Nazi German invaders and was implicated in crimes against antifascist Albanian patriots. One of his sons, who escaped abroad, continues to (?help) fascist terrorist Albanian organizations in exile which, under the direction of a foreign state, organized the sending to Albania in 1982 of a group of diversionaries and terrorists. Taking up the defense of such people is, apart from anything else, an insult to the patriotic feeling and antifascist struggle of the Albanian people.

The Italian Embassy should have showed itself particularly careful in such matters. The Albanian people knew and know how to distinguish the Italian people from the fascist invaders, and have always behaved with respect and nourished friendly feelings toward the Italian people. But the Albanian people are extremely sensitive when they notice that anybody in Italy is interested in taking up the defense of and encouraging the vestiges of the collaborators with fascism, who opened the road to the fascist invasion of Albania.

The Government of the People's Socialist Republic of Albania, as a result of its policy of good relations with the Republic of Italy and not wanting to harm what has been achieved or to darken the perspective of the development of existing relations, has attempted to solve the issue of the Albanian citizens in the Italian Embassy by direct conversations on this subject, which affects only our two countries. She has demanded and is demanding that the Albanian citizens, sheltered unjustly in the Italian Embassy in Tirana, be handed over to the Albanian authorities. This just solution will be a blow to the hopes of those who do not like the friendly relations between Albania and Italy. And on the other hand, it will help to protect the fruits of the cooperation, good understanding, and good friendship between our two countries.

YUGOSLAV TRADE PROTOCOL SIGNED IN SOFIA

AU202058 Sofia Domestic Service in Bulgarian 1600 GMT 20 Dec 85

[Text] A protocol for the exchange of goods and public services between Yugoslavia and Bulgaria was signed in Sofia today. The protocol envisages a 1986 exchange of goods which exceeds the 1985 exchange by 12 percent. Atanas Ginev, deputy minister of foreign trade and Metodi Smilenski, vice federal secretary for foreign trade of Yugoslavia, signed the protocol and initiated a long-term agreement which the two countries' delegations agreed upon during their talks.

PRC'S LI PENG CONCLUDES TALKS, DEPARTS

Visits Ruse

AU211634 Sofia Domestic Service in Bulgarian 1600 GMT 21 Dec 85

[Text] Li Peng, vice premier of the State Council of the People's Republic of China, who is visiting our country, conducted a 2-day visit in Ruse Okrug, accompanied by Andrey Lukanov, deputy chairman of the Council of Ministers. The guest acquainted himself with the activity of the heavy machine-building economic combine and the united plants printing equipment. He visited the Slivo Pole village conurbation system, where he reviewed agricultural objects at the agroindustrial complex and was briefed on the peasants' social achievements. Today Li Peng laid flowers at the monument of the fighters for national revival and visited the creative shop of the Ruse painters.

Completes Lukanov Talks

AU212058 Sofia BTA in English 1915 GMT 21 Dec 85

[Text] Sofia, December 21 (BTA) -- With the signing of two documents, the talks between Mr Andrey Lukanov, deputy chairman of the Council of Ministers of Bulgaria, and Mr Li Peng, vice premier of the State Council of China, were completed today.

They signed a long-term trade agreement between the governments of the two countries for the 1986-1990 period, and a protocol for barter and payments for 1986.

Mr Andrey Lukanov and Mr Li Peng expressed their satisfaction with what have been achieved during the talks and stressed the conviction of their countries that they will work for the carrying out of the agreements.

At the talks the two sides discussed the possibilities for development of the cooperation in the field of mechanical engineering, power generation, agriculture, science and technology, as well as widening of the exchange of merchandise.

Seen Off by Lukanov

AU221921 Sofia Domestic Service in Bulgarian 1830 GMT 22 Dec 85

[Text] On 22 December Li Peng, vice premier of the State Council of the People's Republic of China, left Bulgaria. He was seen off at Sofia Airport by Andrey Lukanov, deputy chairman of the Council of Ministers, at whose invitation Li Peng visited Bulgaria.

ARMY DAILY ON 'INTENSE' TURKISH REARMAMENT

AU161143 Bulgaria NARODNA ARMIYA in Bulgarian 13 Dec 85 p 4

[Stefka Purvanova article: "Turkey: Intense Rearmament"]

[Text] The 1.6 trillion Turkish lira (558 lira equals 1 U.S. dollar) provided from the 1986 budget evidently proved insufficient for the Turkish Government to implement its policy of intensive rearmament, and at the end of October this year the Majlis was obliged to adopt a special "National Defense Fund." In addition, U.S. military aid amounting to $700 million will be used to rearm the Turkish army.

United States, West German, and English firms including A.E.G. and Marconi, are scrambling to deliver submarine torpedoes. A deal to add 35 new British "Rapier" missiles to the 35 missiles of the same type now in Turkey has already been concluded. Apart from these, an additional 25 "Rapiers" will be delivered by the United States and mounted at its Anatolian bases.

According to the Frankfurter ALLGEMEINE ZEITUNG the command of the First Turkish Army insists that 250 West German "Leopard" tanks be purchased for its units stationed near the Bulgarian frontier. This deal will cost Turkish taxpayers DM 3.5 billion.

Government figures and Prime Minister Turgut Ozal are actively engaging in seeking and finding "suitable" suppliers for the country's intense rearmament. As the daily MILLIYET writes, during his "private" November visit to Paris Turgut Ozal met representatives of French arms manufacturers to arrange their cooperation. This was done notwithstanding the great uproar and the speeches full of pathos made by the Turkish politicians against France, which publicly censures the Armenian genocide in Turkey during World War I and the present suppression of democracy and human rights in the country.

Fresh millions, billions, and trillions of Turkish lira for rearmament, and this at a time when, according to official data, Turkey's foreign debts are reaching $22.2 billion, when in 1986 capital and interest amounting to $3.88 billion will have to be paid out, when unemployment, also according to official data, is exceeding 3 million, inflation in 1985 is running at about 50 percent, and when there are mountains of unresolved social and economic problems! Given these facts anyone may well ask himself: "In whose interest and against whom is Turkey rearming?"

The answer is obvious!

NATO COUNTRIES BLOCKING SUCCESS OF CDE MEETING

LD212204 Prague Domestic Service in Czech 1730 GMT 21 Dec 85

[Commentary by Antonin Kostka on eighth round of the Stockholm Conference on Confidence-Building Measures and Security and Disarmament in Europe]

[Text] One can hardly imagine the degree of indulgent benevolence that would be needed for anyone to claim that the conference is worthy of its title. This is because it has not yet contributed in any way either to strengthening confidence or to reinforcing security and even less to disarmament in Europe. Rather to the contrary. Attempts by NATO states to impose on the socialist countries measures tantamount to legalized espionage, and a number of their positions, for instance, their resolution to eliminate the present-day division of Europe and its division into capitalist and socialist countries, have rather deepened mistrust.

If, despite this, the participants in the conference departed to take a holiday break in a moderately optimistic mood, then they did this because out of the existing rounds of talks the very last one, the eighth one, was relatively the most fruitful and promising. Above all, this round reflected the positive influence of the Soviet-American summit meeting in Geneva, not of course in that the NATO representatives have changed somewhat fundamentally their attitudes and acceded to specific disarmament measures proposed by the socialist countries, for they merely altered their tone. They eschew attacks and provocations which they know would not fit in the post-Geneva climate and display at least formally a certain willingness to make compromises.

Thus this round succeeded in agreeing on the precise agenda for further talks. A range of questions, which could form the framework of a future agreement, was outlined and coordinators were selected from among the representatives of neutral states, who are to prepare the final document. In short, at least the most basic prerequisites were created to get things moving, which of course is not a tremendous result considering that the conference has been taking place for almost 2 weeks.

Now, after the eighth round, the participants in the conference have only 8 months at their disposal in order to reach an agreement which is to be submitted to the subsequent meeting of the signatory countries in Vienna. It is, therefore, high time for constructive deeds. These will not be easy to come by, because Washington and its allies have piled up too many obstacles along the road to a reasonable agreement, not merely at the conference itself. They fundamentally oppose nuclear and chemical demilitarization of Europe, the reduction of military expenditure, the obligation not to be the first to use nuclear weapons, and other measures proposed by the socialist countries.

NATO countries have, however, been piling up even more obstacles throughout all international life by their daily practical policy. The American "no" to the moratorium on nuclear tests, the continuing deployment of first strike nuclear missiles in Western Europe, the stepping up of conventional arms buildup by NATO, the U.S. Congress' assent to renew the manufacture of chemical weapons and, in particular, the stubborn insistence on the project of space arms buildup and the building of new components of strategic potential -- these all are deeds which do not give rise to any confidence, which undermine and destabilize security even more, and which decidedly do not bear testimony to the least possible resolve to bring about disarmament.

For the protagonists of such deeds, a conference, which has as its very the aim the strenghthening of confidence and security and disarmament, can be nothing else but a battleground for rhetorical demagogy.

If therefore, a great deal of tenacious and strenuous effort in the struggle to avert the threat of war is awaiting all peace-loving people next year, then this will apparently doubly apply to the representatives of the socialist countries at the Stockholm conference.

U.S. STATEMENTS ON PEACE 'SOUND LIKE HOT AIR'

LD211543 Prague Domestic Service in Czech 0600 GMT 21 Dec 85

[Commentary by Moscow correspondent Stefan Simak in Slovak on U.S. refusal to take part in Soviet nuclear explosion moratorium]

[Text] Since 6 August this year the USSR, in keeping with its unilateral undertaking, has not carried out a single nuclear explosion. The U.S. reaction has been either a rag-bag of excuses or the reverberations of its own nuclear blasts. The Soviet moratorium expires on 1 January; Washington therefore felt obliged at long last to explain its position. The White House's claim that the United States needs to continue its nuclear explosions to carry out reliability and safety checks on its arms stockpiles is not considered by the USSR to be a serious response.

Leonid Ponomarev, a political observer of military affairs, commented this evening in Moscow that the U.S. Administration cannot come up with any alternative to its policy of pressing ahead with the build-up of its nuclear potential, including the development of offensive space weapons. All the statements about peace, in which the White House claims that it wants to render nuclear weapons obsolete and unnecessary, only sound like hot air designed to cover up the Pentagon's attempts to achieve military superiority over the USSR.

There is still a little time left before the end of the year, and that is why a whole range of Soviet public organizations have appealed to the world public to insist even more strongly that the U.S. Government should not let slip this chance for nuclear disarmament, which is still available by the example set by the USSR.

BILAK RETURNS FROM BUCHAREST IDEOLOGICAL MEETING

LD211402 Prague Domestic Service in Czech and Slovak 2300 GMT 20 Dec 85

[Text] A CPCZ delegation, headed by Vasil Bilak, member of the Presidium and secretary of the CPCZ Central Committee, which attended the Bucharest meeting on international and ideological questions of secretaries of the central committees of fraternal parties of the socialist states, has returned to Prague.

At the close of the conference a communique was issued in which its participants stressed the need for urgent action to combine the efforts of all peace-loving forces of the world in the struggle against the aggressive policy of imperialism, for effective disarmament measures, and to safeguard the fundamental right of nations -- the right to live and enjoy free and independent development. They also singled out the fact that thanks to the Soviet-American summit meeting in Geneva, more favorable possibilities have been created to improve the international climate and for further talks on nuclear and space weapons. The communique also confirmed the firm resolve of the fraternal countries to counter all propaganda against reality in the socialist countries and to interfere in their internal affairs under the pretext of protecting human rights.

FINANCE MINISTER ZAK OUTLINES 1986 BUDGET

AU121552 Prague RUDE PRAVO in Czech 10 Dec 85 p 2

[From a speech by Jaromir Zak, CSSR minister of finance, on the draft of the CSSR state budget for 1986, at the 20th joint meeting of the Chamber of the People and the Chamber of Nations of the CSSR Federal Assembly in Prague on 9 December]

[Text] Next year and in subsequent years we will orient fiscal policy toward a more consistent implementation of the strategic line of intensification, a further reinforcement of the external and internal economic balance, and a rise in the material and cultural standards of the people. This is the point of departure for the tasks of the budget and the fiscal plan for 1986, as well as for the amendment of some instruments of fiscal policy.

The submitted draft of the state budget channels financial processes in the national economy from the viewpoint of a plan-based and balanced development. In close connection with the state plan and other financial plans, it safeguards all tasks of the state, both in the enterprise sphere and in the sphere of public consumption.

The total volume of the state budgets for next year is to reach Kcs359.9 billion, which represents an increase by Kcs15.3 billion, or 4.5 percent, compared to 1985. This growth reflects a higher dynamism of economic development as well as the more demanding tasks with respect to efficiency growth and a more economical use of created resources.

The draft of the state budget ensures a balance between the revenues and expenditures of the entire budgetary sphere and its individual components -- the state budget of the Czechoslovak Federation, the state budgets of the two republics, and the national committees' budgets.

The remittances of economic organizations will account for the greatest share in the total revenues of the state budgets and the national committees' budgets, almost 46 percent. They will be followed by revenues from the turnover tax, which will account for almost 26 percent of revenues, and by taxes levied on the population, which will account for roughly 15 percent.

On the other hand, more than 16 percent of the volume of the state budgets will be spent to finance the needs of the economic sphere. Compared with 1985, subsidies granted to economic organizations from the budget will ncrease by Kcs5 billion. This increase reflects a growth of investments in the fuel, power, and transport branches, which do not have sufficient resources of their own; the introduction of a new subsidy in forestry for the solution of ecological problems; higher expenditures to cover the losses of housing economy organizations and mass city transport, as well as higher subsidies to support the prices of heat supplies to the population.

The highest portion of budgetary expenditures, almost 46 percent, is accounted for by noninvestment outlays for education, health care, social security, culture, and other services and activities rendered to the population. The state budget also safeguards the essential financial resources to strengthen the defense and security of the state.

The state budget of the Czechoslovak Federation has the decisive share in the total volume of the budgets. Its planned revenues will total Kcs200.3 billion. Of this sum, Kcs69.7 billion is earmarked to finance federally-administered agencies and organizations, and Kcs 132.4 billion will be contributed to the state budgets of the two republics in the form of program-specific and general subsidies.

The volume of the national committees' budgets will increase by Kcs5.6 billion and will total almost Kcs125 billion, which is more than one-third of the total state budgets.

In keeping with the conclusions of the sixth session of the CPCZ Central Committee, important measures concerning the budgetary management of national committees will go into force at the beginning of 1986. The national committees' dependence on budget subsidies from central resources will be reduced by roughly 12 percent. The national committees' own revenues are expected to rise by almost Kcs14 billion. Compared with the present situation, their revenues will increase by the proceeds of the income tax of all organizations administered by national committees and cooperative unions, by social security contributions, and the turnover tax of economic organizations operating in agriculture.

At the same time, measures have been adopted to make a greater use of the national committees' supplementary resources -- especially resources from the capital reserve and development funds -- to finance projects aimed at the solution of problems concerning the protection and improvement of the living environment. We intend to reinforce such projects in the period of the Eighth 5-Year Plan.

All of this makes it possible for the national committees to exert a more pronounced influence on the development of the regions under their administration, and makes room for the formulation of more challenging election programs, for a better and prompter satisfaction of the justified needs of citizens, and for a broader utilization of their initiative.

The 1986 state budget reflects measures arising from the reduction in the overall level of wholesale prices and from the changes in the system of agricultural management that will go into effect at the beginning of next year. Connected with these changes, a further curtailment of price supports for some production assets, the abolition of a number of supplementary price instruments, and thus also a reduction in the extent of redistribution processes by means of the state budget will occur.

In connection with the application of the Main Guidelines for the Further Development of the Set of Measures for Improving the System of Planned National Economic Management, some additional amendments will become effective as of next year, concerning the areas of planning, price-setting, and wages, as well as fiscal, credit, and foreign exchange policy. Their common aim, together with the improvement of planned management, is to establish a more exacting economic climate, exert a greater pressure on accelerating the intensification of the production process, and stimulate the necessary interest in, and create the necessary scope for, the development of a socialist enterprising spirit and initiative.

We must achieve a situation in which every organization develops its activity on the basis of reliable economic calculations, works efficiently, and makes a more economical use of the resources entrusted to it, both its fixed assets and its floating assets, so that their effectiveness is raised, the needs of society are satisfied in an increasingly better and fuller way, and the foreign currency position of the state is reinforced.

That is why we must systematically and in an exceedingly demanding way evaluate the fulfillment of tasks and the standard of management in every organization, consistently analyze the causes of differences in their economic performance, and more energetically adopt adequate measures in the appropriate areas.

We must consistently observe state and planning discipline, enhance accountability, apply khozraschet [planning, management, and cost accounting method based on economic accountability and financial autonomy] and rigid economizing, intensify the participation of the working people in management, and use final results, the growth of one's contribution to society, as the basic criterion in evaluating work results, political maturity, and awareness. All these are fundamental prerequisites for activating the human factor and thus also for ensuring our further successful advance.

The financial contribution of economic organizations to society is to increase 11 percent next year. Of decisive importance for safeguarding this task is the attainment of the planned rise in profits by almost Kcs14 billion. Some 84 percent of this rise is to be brought about through a relative decline of costs. The task of reducing total costs 1 percent and material costs 1.2 percent is a highly demanding one. However, sufficient untapped resources exist in our economy, making it possible to obtain from roughly the same level of material inputs in the economy a higher value in terms of output.

In the fiscal plans for next year and the subsequent years of the 5-year plan, we safeguard the necessary resources for the large-scale projects of integration to be carried out in the Soviet Union. These projects will ensure for us long-term deliveries of natural gas and iron ore.

A requirement confronting us with extraordinary urgency is that scientific and technological development and the effort for the speedy practical application of its results become the main contents of all managerial activity at all levels and in all sectors. Noninvestment spending on the development of science and technology is to total Kcs19.4 billion next year.

The volume of financial resources set aside for the devlopment of science and technology is relatively comparable, and in some respects even higher, than these expenditures in other economically advanced countries. It is thus not a question of saving in the wrong place. What matters, above all, is the full and efficient utilization of these resources.

Our endeavor to raise efficiency on the basis of a more effective application of research and development is immediately connected with investment policy. The investment needs of economic organizations are expected to reach Kcs134.2 billion next year, which is 3.6 percent more than this year.

To promote the modernization and retooling of the technological production base, organizations will be permitted to finance from their own operating capital projects involving the retooling and modernization of fixed assets that cost up to Kcs10 million. This is twice the amount they can spend on such projects at present. The source for financing these projects will be the capital investment fund, made up, above all, of the set norms derived from depreciation and profit.

Considerable resources continue to be tied up in inventories, although the situation has been improving in the last 4 years, owing to a number of measures adopted by the government and other agencies. This is undeniably a positive development; after all, the acceleration in the turnover of industrial and building inventories by a single day releases resources of about Kcs2.3 billion. For next year we envisage an acceleration in the turnover of industrial and building inventories by 2.1 days, compared with this year.

Also demanding are the tasks that we are setting ourselves with respect to enhancing the effectiveness of financial auditing and reinforcing financial discipline and order.

In the years to come, we intend to focus auditing more pronouncedly on the main social priorities, on the economical use of social means of protecting national property, and forestalling illicit enrichment.

Noninvestment budgetary expenditures on social services and other activities rendered to the population are to total Kcs165.4 billion next year. This represents a 3.2 percent increase compared with this year, an increase by Kcs5.1 billion.

Expenditures for social security, the volume of which is steadily increasing, account for more than 50 percent of this sum. Next year, they will total Kcs90.3 billion. The increment in social security expenditures is earmarked, in particular, for pensions, on which Kcs54.9 billion will be spent next year, Kcs1.5 billion more than this year. The average pension will amount to Kcs1,459 next year.

A total of Kcs27 billion in noninvestment outlays will be spent on the development of education next year, which is 4.3 percent more than this year. The budget provides, in particular, for higher expenditures on the repairs, maintenance, and modernization of existing educational establishments, for an increase in the number of children sent to "schools in the open," and for the development of university dormitories and cafeterias. The budget also includes expenditures for a broader and accelerated furnishing of computers and audivisual centers to schools, with the aim of significantly modernizing instruction and improving the preparedness of our youth for solving the tasks of the future.

The great importance which our society ascribes to the care for citizens' health is also reflected in the expenditures of the budget. A total of Kcs27.4 billion will be spent for these purposes next year, 7 percent more than this year. Prerequisites are thereby being established for enhancing medical care in a number of areas and for improving the equipment of medical facilities and for their modernization.

Noninvestment expenditures on culture are to reach Kcs4.8 billion in 1986. Aside from ensuring the operation of cultural and social facilities and developing amateur cultural activity, conditions are also being established for the improved maintenance and repairs of historical monuments and cultural establishments.

The state's participation in financing housing construction and the housing economy is also continuously high. Budgetary expenditures on this area will total Kcs27.1 billion next year.

Some measures, including in the financial sphere, have been adopted to facilitate the implementation of the state housing policy concept for the Fighth 5-Year Plan, which is aimed at a more intensive utilization of the housing stock, at a more economical construction of communal and cooperative apartments, and at promoting the development of family homes. The participation of enterprises in financing comprehensive housing construction will be enhanced and, at the same time, there will be a significant increase in the nonreturnable state grants for builders of family homes, including contributions to reconstruction and modernization projects. For example, the average grant for the construction of family homes will be raised from today's Kcs39,000 to Kcs58,000 per housing unit.

All these facts conclusively show the comprehensive concern of the socialist society for ensuring and developing the standard of living of the population. However, it is essential to constantly bear in mind that the resources which society can set aside to finance needs in the area of living standards are not unlimited.

Even in the area of public consumption, it is therefore necessary to consistently apply the criteria of cost-effectiveness and efficiency in spending material and financial resources, to intensify the expediency of these outlays, and to responsibly weigh the degree of the urgency of satisfying needs both on the national scale and in individual branches, regions, and localities.

CZECH NATIONAL COUNCIL SESSION DISCUSSES ECONOMY

LD170038 Prague Domestic Service in Czech 1730 GMT 16 Dec 85

[Vaclav Klement report]

[Excerpt] The Czech National Council in Prague today started the discussion of the state plan for development of the national economy and the state budget of the Czech SR for 1986. The 2-day session which was opened this afternoon by Josef Kempny, chairman of the Czech National Council, is being attended by the Czech Government headed by Josef Korcak, its premier.

First of all, Zdenek Krc, deputy Czech premier and chairman of the Czech Planning Commission, addressed the deputies. In his speech he stated that the main tasks of this year and the whole Seventh 5-Year Plan will be fulfilled. The plan for the next year proceeds from these favorable results -- the plan ensures a smooth transition of the Czech economy to the Eighth 5-Year Plan and at the same time creates prerequisites for the achievement of a permanently higher functioning of economic and social development. In this connection, the deputy premier said:

[Begin Krc recording] The program aim -- to achieve a high growth of social labor productivity, above all on the basis of a faster implementation of results of scientific-technical progress in production, rational utilization of labor forces, and the permanent mobilization of internal reserves of the national economy -- we put in a prominent place in the strategy of economic and social development. The plan is aimed at increasing social labor productivity by 2.9 percent; this represents almost doubling if compared with the annual average achieved in the current 5-year plan. This will enable us to cover almost 90 percent of the increases in national income by the increase of social labor productivity. By a faster creation of resources, we want to create a space for an effective resolution of urgent needs and long-term problems, above all, for the modernization of obsolete basic means and for a more effective approach in the solution of questions connected with the creation and protection of the environment and the development of selected areas of the Czech SR. By the effective utilization of natural and economic resources in the Czech SR, we shall at the same time contribute to an increase of our share in the development of the united Czechoslovak economy. [end recording]

The draft state budget of the Czech SR for the next year was explained by Minister of Finance Jaroslav Tlapak. The proposed budget is balanced -- it represents a sum of Kcs150 billion and its aim is to ensure financially the basic economic, social, and cultural tasks for the first year of the Eighth 5-Year Plan. Minister Tlapak said among other things:

[Begin Tlapak recording] The essence of our economic policy is the strengthening and improvement in the quality of the population's living standards, the strengthening of social certainties, and the creation of more and more favorable conditions for the harmonious development of man. Next year the income of the population will increase by 2.3 percent. For the main branches of social consumption we shall give from the state budget and from budgets of national committees Kcs101.8 billion, which is by 2.6 percent more than in 1985.

This is, as you will no doubt agree with me, a vast sum, and it is our duty to ensure its truly efficient utilization. The issue is not saving at the expense of the extent and quality of our care, but we, however, require better quality managerial work, a more consistent control, and also the deepening of education and its synchronization with responsible and differentiated utilization of advantages given by the socialist society. [end recording]

Investment, Education Debate

LD171622 Prague Domestic Service in Czech 1730 GMT 16 Dec 85

[Text] The 19th session of the Czech National Council continues in Prague today with a debate on the government draft bills on the state plan for the development of the national economy and the state budget of the Czech Socialist Republic for next year. Josef Kempny, member of the CPCZ Central Committee Presidium and chairman of the Czech National Council, welcomed Josef Korcak, member of the CPCZ Central Committee Presidium and Czech premier, and other guests, to the meeting.

In the debate deputy Jaroslav Safarik pointed to the need to have a much more demanding approach to the effectiveness of capital investment. Only 30 percent of the capital investment projects implemented in the sector administered by the Czech Ministry of Industry has met planned contribution targets.

Deputy Josef Rota gave a reminder of the demanding nature of the implementation of the new Czechoslovak system of education and up-bringing. He stressed that the attention of the Cultural and Educational Committee of the Czech National Council had focused on the most effective use of facilities and resources entrusted to the educational sector in such a way as to achieve the best possible results while applying the principles of maximal economy.

Passes 1986 Plan, Budget

LD171632 Prague Domestic Service in Czech and Slovak 1000 GMT 17 Dec 85

[Text] The 19th session of the Czech National Council continues in Prague today. Vaclav Klement reports:

After a debate in which 14 deputies spoke, the Czech National Council has today approved the laws on the state plan for the development of the national economy and on the state budget of the Czech Socialist Republic for 1986. The principal aim of the state plan is to insure a further development of the national economy, above all by raising more markedly the effectiveness and quality of all work. All deputies who spoke in the debate stressed the exacting nature of the tasks contained in the plan, pointing out at the same time at the need to insure their fulfillment from the very outset of next year. Conscious and active support of the people, strengthening of the state and working discipline, and order and organization should play a key role in this.

In the resolution adopted, the Czech National Council has instructed its Presidium and all council's committees to help in all their activity in 1986 to fulfill the set basic tasks -- the growth of the national income coupled with the simultaneous reduction of the share of manufacturing input in the national product.

In the next part of the meeting the deputies will discuss a government-sponsored draft bill of the Czech National Council on fire protection.

Fire Protection Bill Adopted

LD171637 Prague Domestic Service in Czech 1130 GMT 17 Dec 85

[Excerpts] The 19th session of the Czech National Council continues in Prague today. Vaclav Klement reports: Later this morning the deputies discussed and approved a Czech National Council's bill on fire protection, which was explained by Josef Jung, minister of the interior. The existing law had been in operation for more than 25 years, and despite all the measures taken for protection against fires the state of affairs is unfavorable. During the past 10 years almost 46,000 fires had broken out in the Czech Socialist Republic, resulting in direct damage amounting to more than Kcs1.8 billion and the consequent losses exceeding the sum of Kcs4 billion. The new law places the prime emphasis on the protection of the socialist economy and embodies fundamental duties of authorities and organizations in the field of protection against fires. The session of the Czech National Council ended shortly after noon.

Medical Supplies, Environment Discussed

LD181006 Prague Domestic Service in Czech and Slovak 2030 GMT 17 Dec 85

[Text] Now we return to today's session of the Czech National Council, which discussed the state plan and budget for next year for the Czech Republic. From the extensive debate on our future tasks, we have selected highlights from the speeches of two deputies, first we hear Vaclav Mericka:

[Begin Mericka recording in Czech] In the Health and Social Affairs Committee throughout this electoral period we have dealt repeatedly with the problem of production of medicines and drugs, and the chronically persistent shortage of medicines which, in the end, becomes a problem not only for the health service as a whole, but also a very sensitive public issue. We have been concerned above all with gradually reducing our dependence on imports in the production and use of vitally important drugs vis-a-vis the capitalist states. It is, of course, gratifying that in Czechoslovakia we have the necessary, although limited, range of drugs, and also that the actual consumption of drugs per head of the population is low here. It is not right, however, that there are, from time to time, shortages of vitally important drugs and that we have to take urgent steps to acquire such drugs because foreign suppliers have not fulfilled their contractual commitment to supply the drugs promptly. That is why we shall support the Ministry of Health in developing our own facilities for the construction of machinery and instruments, for planning pharmaceutical plants and health facilities, and for constructing machinery and instruments for pharmaceutical and preventive health work. [end recording]

And here are the words of Deputy Alois Kral, who spoke during the debate about the state of the environment.

[Begin Kral recording in Czech] The Czech National Council in the last few years has been making substantial efforts, especially through the permanent working group for the socialist environment, to support fully the strategy followed by the party and state bodies, and, in keeping with the control opportunities afforded to this, the highest representative body in the Czech Republic, to help to tackle this problem. Here, however, we must also see to it that the funds allotted to ecological programs are, indeed, used fully for this purpose.

In the past, as we know, it used to happen that when critical situations arose in plan fulfillment, owing to shortages of manpower, of construction capacity, of materials and equipment, and so forth, as a rule it was the ecological investment projects that were cut. This is the area to which we ought to devote our attention in the next 5-year period. [end recording]

Those were highlights of today's debate by deputies at the Czech National Council.

ANTONOV LAWYERS CONFIDENT OF ACQUITTAL

LD222048 Prague CTK in English 1933 GMT 22 Dec 85

[Text] Sofia, Dec 22 (CTK correspondent) -- The three Bulgarian nationals accused of complicity in the attempted assassination of the Pope will be found innocent, Italian lawyer Giuseppe Consolo; defence counsel of Sergei Antonov, said in an interview with CTK here today.

He and Belgian lawyer Luc Somerhausen, member of the commission of the International Association of Democratic Jurists investigating the "Antonov case", had come to Sofia to be present at the interrogation of Bulgarian witnesses in connection with the Rome trial.

"I don't know, however, whether it will ever be established who the real initiators were of the dirty plot around the so-called Bulgarian connection", Professor Consolo said.

Luc Somerhausen pointed out that the commission of which he is a member published a statement on the case in May, and that its conclusions were fully confirmed. It has been clear from the outset that no "Bulgarian connection" exists, and that the Turkish neofascist organization. "Grey Wolves," was in the background of the attack on the pope. During the trial in Rome, its close ties came to light with Western secret services. Secret service officiers whose names appeared during the trial will be tried in Italy, on charges of serious crimes, Somerhausen pointed out.

"Everything that transpired in the course of the trial confirms the conclusions of our commission. Antonov is innocent. The testimonies here proved the goodwill of Bulgaria to comply with the request of the Italian authorities and permit the questioning of Vasilev and Ayvazov as witnesses. Such an attitude is without precedent in the practice of international law. It shows that Bulgaria has nothing to conceal", Somerhausen said.

POLITBURO, COUNCIL OF MINISTERS' CEMA STATEMENT

LD230947 East Berlin ADN International Service in German 0300 GMT 23 Dec 85

["Text" Of the joint statement by the SED Central Committee Politburo and the GDR Council of Ministers on the results of the 41st extraordinary meeting of CEMA from 17 to 18 December in Moscow]

[Text] Berlin 23 Dec (ADN) -- The text of the joint statement by the SED Central Committee [as received] and the GDR Council of Ministers on the results of the 41st (extraordinary)meeting reads as follows:

The SED Central Committee Politburo and the GDR Council of Ministers have received the report on the 41st (extraordinary) meeting of the CEMA and approved the activity of the GDR delegation headed by Willi Stoph, member of the SED Central Committee Politburo and chairman of the GDR Council of State.

The complex program for the scientific-technological progress of the CEMA member-countries up to the year 2000 confirmed at the meeting serves the further close linkage of the advantages of socialism with the achievements of the scientific-technological revolution. The struggle for the essential acceleration of the speed of science and technology development and the further forward advance of the CEMA countries in all areas of social life fit in fully with the peace offensive by the socialist community of states to eliminate the danger of a nuclear conflict, to stop the arms race, to prevent the militarization of space, and to achieve a recovery of the international situation.

The complex program of scientific-technological progress contains the main tasks on which the cooperation of the CEMA countries for the development and utilization in the national economies of decisive key technologies is to be concentrated. In microelectronics, automation technology, the development of nuclear energy, new materials, and technologies, and in biotechnology, it is a matter of attaining, in the shortest time possible, scientific-technological top performances and the rapid economic exploitation of them with the aim of considerably increasing labor productivity and intensifying all-round social production.

The SED Central Committee Politburo and the GDR Council of Ministers stress the decisive contribution of the USSR toward solving the most important tasks in science and technology, and the fundamental importance of close and fruitful cooperation between the fraternal countries in this area.

The resolutions of the 41st CEMA meeting are a further important step toward deepening the all-round cooperation between the CEMA member-countries and toward the consolidation of the unity and cohesion of the socialist community. The GDR will make an active contribution toward this in future as well.

The SED Central Committee Politburo and the GDR Council of Ministers stress the objectives of the complex program, which are directed toward the well-being of the peoples and social progress, and reiterate the GDR's readiness to actively collaborate in the worldwide division of labor and for the normalization of international economic relations.

The combines and scientific institutions of the GDR will carry out direct cooperation with their partner organizations in the CEMA countries on the basis of economic treaties for the determined realization of the complex program of scientific-technological progress between the CEMA member-countries up to the year 2000.

The state and economic organs have been authorized to take the measures necessary for realizing the resolutions of the 41st (extraordinary) CEMA meeting.

ECONOMIC COOPERATION TALKS HELD WITH HUNGARY

AU122055 East Berlin NEUES DEUTSCHLAND in German 10 Dec 85 p 2

[Text] Berlin (ADN) -- On 9 December, in Berlin, the chairmen of the joint GDR-Hungarian People's Republic economic committee -- Wolfgang Rauchfuss, deputy chairman of the GDR Council of Ministers, and Jozsef Marjai, deputy chairman of the Council of MInisters of the Hungarian People's Republic -- deliberated on the further development of economic and scientific-technical cooperation.

Central to the talks were problems related to implementing the agreements reached between Erich Honecker, general secretary of the SED Central Committee, and MSZMP General Secretary Janos Kadar. Proceeding from this, Wofgang Rauchfuss and Jozsef Marjai discussed measures for implementing the long-term program for developing scientific-technical and economic cooperation up to 2000, signed by the general secretaries of the two parties in October 1985. These measures determine the further work of the joint economic committee.

The partners evaluated the implementation of important agreements and defined further tasks for the next committee session. In doing so, particular importance was attached to the specialization of and cooperation in production. The two sides agreed to accelerate the concluding of specialization and cooperation contracts and to include in these new fields of the national economy in order to thus more fully utilize the facilities which exist in the two countries.

Istvan Roska, ambassador of the Hungarian People's Republic to the GDR, participated in the deliberations.

FINANCE MINISTER COMMENTS ON 1986 STATE BUDGET

AU090839 East Berlin NEUES DEUTSCHLAND in German 30 Nov-1 Dec 85 p 5

[Speech given by GDR Finance Minister Ernst Hoefner on the 1986 State Budget Plan at the 12th People's Chamber Session on 29 November in Berlin]

[Text] Esteemed Comrade General Secretary, esteemed Comrade President, distinguished deputies:

In implementation of the basic orientation given by Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the State Council, at the 10th session and of the decisions taken at the 11th SED Central Committee session, the 1986 State Budget Plan is aimed at continuing the tested course of our main task, the unity of economic and social policy. The path we have taken -- that is the step-by-step increase of the people's material and cultural standard of living on the basis of a high rate of development of production and its efficiency, scientific-technological progress, and of growing labor productivity -- is effectively supported by the 1986 State Budget Plan.

Financial Position of the State Has a Solid Base

Entirely in line with the 1986 national economic plan, all plan targets express our efforts to continue the universal strengthening of the political and economic potential of our first worker-peasant state on German soil and to make an effective contribution to safeguarding peace.

The economic strategy adopted by the 10th SED Congress, with which we ensure a stable growth of our national economy by extensive intensification, is the reliable basis for successfully solving the tasks set by the draft plan. Based on the good results of the mass competition for preparing for the 11th SED Congress, we set ourselves the goal to considerably increase work efficiency so we can link the advantages of socialism even more closely with the results of the scientific-technological revolution. This is the foundation for the further stable development of our state's financial position over the next year.

The targets of the 1986 State Budget Plan are inextricably linked with the tasks resulting from the agreed long-term program of the development of cooperation between the GDR and the USSR on the fields of science, technology, and production for the period up to the year 2000, and from the decisions of the economic conference of the CEMA member-countries at the highest level.

The Council of Ministers is presenting a state budget plan for 1986 to the GDR People's Chamber, which -- in consistent continuation of our socialist financial policy -- ensures that revenues and expenditures are balanced and that a budget surplus is achieved. The unity of material and financial planning is guaranteed.

In solving all economic tasks, man with his skills, interests, and needs is and remains the decisive factor. It is the highest duty of all those who bear responsibility for management to further promote creativity, an inventive spirit, and innovative initiatives of the working people in combines, enterprises, and cooperatives in order to achieve a positive balance, and thus create the best-possible preconditions for efficient management and for highest economic results in the mass competition organized by the trade union in preparation for the 11th SED Congress.

More Than Three Quarters of Revenues From Enterprises and Combines

In accordance with the performance targets and efficiency development of the national economic plan, state budget revenues in the amount of M242.9 billion is to be achieved. About 78 percent of that comes from state-owned economy. Thus the plan sets ambitious targets and high demands on efficient management for the combines and enterprises of industry, the construction sector, transporation, agriculture, forestry, foodstuffs, industry, trade, and of the other national economy sectors. Everywhere this is primarily linked with the requirement of reaching a better input-output ratio.

The draft plan envisages that prime costs in the combines and enterprises of state-owned industry are reduced by 2.2 percent in 1986, including a reduction of material costs by 2.4 percent.

In the combines and enterprises it is necessary to organize work in such a way that the cycle of intensively expanded reproduction is guided and managed as a whole, that its stages smoothly mesh, and that the targets for reducing costs are steadily reached on this basis from the first day of the new year onward. The Council of Ministers stresses that it is decisive for management to create favorable conditions for continuous production in the combines and enterprises. This includes consistently organizing the entire management according to the decisions made by the Council of Ministers for further improving management, planning, and economic accounting.

Investments For M63.1 Billion

Distinguished deputies, corresponding to the extraordinary importance of science and technology for the further dynamic growth of our national economy, M2.8 billion are earmarked in the draft state budget plan for financing scientific-technological measures. In addition to that, there are M8.8 billion from the science and technology funds of enterprises and combines; thus a total of M11.6 billion is planned for science and technology.

The 11th SED Central Committee session once more stressed the task to reach top positions in decisive fields with these important funds.

The Council of Ministers underscores the necessity to carry out work with tasking workbooks in all combines, enterprises, and research institutions on the basis of the adopted decisions in such a way that from the very beginning high economic results are ensured, and all conditions for the fastest possible introduction of research results into new products and technical processes are guaranteed. The results from science and technology are transferred into production mainly by purposefully modernizing the basic assets. Provision of the necessary financial means for investments at a value of M63.1 billion envisaged by the 1986 Draft National Economic Plan is ensured.

The investments will be mainly used for the rationalization and the introduction of highly productive technologies with which we need to reach the degree of production renewal provided for in the plan. Considerable means are also provided for the further expansion of our own energy and raw material basis, refinement of domestic raw materials, and raising consumer goods production. The Council of Ministers stresses particularly the responsibility of the managers to profoundly prepare all projects and realize them speedily at the planned time and at planned cost.

In this connection a high development rate of the production of their own means of rationalization is indispensible in all combines. All experiences show that this is how new scientific-technological results can be used for modernizing the basic assets within the shortest possible periods, and the economic results of the projects can be considerably improved.

Distinguished deputies, in 1986, too, the successful implementation of our socialist agricultural policy will be continued by intensification. The laws on the national economic plan and the state budget plan set the task for the workers and cooperative peasants on the state-owned farms and in agricultural cooperatives to repeat, stabilize, and further develop the good results of crop and livestock production achieved in 1985.

Intensification in Agriculture To Be Promoted

Proceeding from the economic effects of the agricultural price reform, the qualitative growth factors are to be utilized even better. Here, improving economic accounting and performance comparisons to tap further reserves are highly important.

As over the past years, this path of dynamic performance growth in our socialist agriculture will be supported by state subsidies. In 1986, M2.4 billion will be earmarked for this, which, as a responsibility of the local councils, are to be used with great economic effect.

Distinguished deputies, the most important task of our time is safeguarding peace.

Erich Honecker, general secretary of the SED Central Committee and chairman of the State Council, stressed at the 11th Central Committee session that "After the Geneva summit every effort must be made to make progress by means of agreements and to make peace secure. World conscience should in increasing measure determine world development. Now it is all the more important to struggle for peace."

The program for disarmament measures submitted by the Soviet Union and the initiatives contained in the Sofia declaration offer a great chance for mankind, for security and peace in the world. This is directly linked with the reliable protection of our socialist achievements.

The 1986 State Budget Plan provides expenditures of M14 billion to ensure our defense capability and to protect our socialist order.

Our Children Are Cared For From the First Day of Their Lives

Distinguished deputies: The draft bill on the 1986 State Budget Plan convincingly demonstrates that the policy of our state will continue to be determined by doing everything for the welfare of the people and safeguarding and further developing step-by-step the hign material and cultural standard of living.

In our time, when in the capitalist countries the red pencil is an important instrument of social policy, the historical performance which our republic has been rendering since the Eighth SED Congress in implementing the sociopolitical program becomes particularly evident. For a very long time our citizens have not known the fear of unemployment and inflation. They know that their children are cared for from the first day of their lives and attend a school which gives them a comprehensive, humanistic education, that every young person can be sure of thorough training, and that every adult is needed for our common work, that nobody is abandoned by the community when he is old.

High Performances for Solving the Housing Problem

The available draft bill on the 1986 State Budget Plan reflects this in various ways. It aims at keeping the solution of the housing problem as a social problem the main issue of our sociopolitical program for the citizens' welfare.

In 1986, the state budget will provide approximately M15.4 billion for new construction, modernization, maintenance, and the use of apartments in order to further improve housing conditions. Including loans and individually raised funds, a total of M27.2 billion are earmarked for housing construction and maintenance over the next year. That is M2.2 billion or 8.6 percent more than in 1985. Particular attention is paid in 1986, too, to modernizing and repairing apartments. Expenditures for that will increase by M600 million to more than M3.7 billion; that is about 19 percent more than in 1985.

Here high demands are posed on the work of the local councils and on those working in housing construction. The decisions adopted at the Eighth Construction Conference of the SED Central Committee and the GDR Council of Ministers once more set the yardsticks for efficiently carrying out housing construction and maintaining the existing housing stock.

The Council of Ministers draws the attention of the local state organs to utilizing performance and cost comparisons of combines and enterprises of the locally administered construction sector even more effectively for tapping reserves.

To this end every enterprise has to set concrete measures in 1986 with which most economical technologies and best values are brought to bear more rapidly and more broadly on increasing building performances at lower costs.

Extensive Means for Continuing Our Social Policy

Distinguished deputies: In our country the virtues of our socialist education system benefit all young people. All preconditions are purposefully created to ensure the lead in education for the demands of the 1990's. For this purpose, extensive means will be provided for public education, vocational training, and universities and technical colleges in 1986, too. The draft bill on the State Budget Plan is directed at earmarking M12.8 billion for these sectors of the education system. This guarantees full financing of all educational tasks.

For educating and training children in secondary schools alone more than M4.3 billon are provided. For care in kindergartens about M1.5 billion will be made available by state budget. This provides the financial guarantee that all parents who wish to can put their child into a kindergarten. For meals for school-children and other children, a total of more than M900 million will be provided by the state budget. This will increase the capacities for meals for school-children and other children by about 53,400 dishes and thus guarantee that all children may participate. While the quality of the provisions is rising, parents still pay 55 pfenning per child per day for meals for school children and 35 pfennig for meals in kindergartens.

Possibilities for Leisure Activities Expanded

Protecting the health of the citizens and caring for their welfare are still a top-priority concern of our entire society and an essential part of our social policy. The expenditures in the health and social sector, as well as in social security, very impressively reflect the high performances of our state for further improving medical care and social welfare of our citizens. The 1986 draft State Budget Plan earmarks a total of M20.3 billion for expenditures in this sector. This is an increase of 3.7 percent compared with 1985. They include payments of children allowances and birth grants at a value of M1.336 billion, pregnancy and maternity benefits, paid exemption from work for mothers at a value of M1.90 billion, free medical prescriptions, and other services of our state which have become a matter of course.

Caring for the welfare of our senior citizens and labor veterans is a deeply humanistic concern of our state. This is served by considerable expenditures for sunset homes and the social and medical care for our senior citizens, and also M16.8 billion for pensions.

Distinguished deputies: A high performance increase for the benefit of all includes the further shaping and development of a rich cultural life for all citizens. In 1986 our state once more makes available considerable material and financial means. The 1986 State Budget Plan provides M3 billion for theaters, cultural houses, village clubs, and circles, as well as for meaningful leisure activities such as recreation, physical culture, and sports.

Also in 1986 our state pays great attention and care to the development of the facilities of youth and youth tourism. Proceeding from the meeting of Comrade Erich Honecker, general secretary of the SED Central Committee, with the Secretariat of the FDJ Central Council, it is the concern of all state organs to further develop the possibilities of meaningful leisure activities in all cities and villages based on the initiatives of the young people, and to use the state resources as prudently as possible for this purpose. For youth clubs alone M81 million are provided. In comparison with 1985, the places in youth clubs are to be increased by about 10 percent, that is 9,200 places. This is a considerable expansion of these youth club facilities.

Budgets of Bezirke, Kreise, Cities, and Villages Balanced

Distinguished deputies: The experiences of millions of citizens confirm that the course of the main task, the unity of economic and social policy, has also stood its test on the level of local policy. In 1985, too, this entails submitting balanced budgets corresponding to the national economic tasks in all bezirke, kreise, cities, and villages. The local budget's own revenues continue to increase considerably because of rising performances and efficiency of the locally administered state-owned economy and the socialist cooperatives.

In 1986 the draft state budget plan envisages a total of M51.1 billion in revenues and expenditures for the local budgets. The budget of the GDR capital, Berlin, will receive 14.2 percent, That is M7.3 billion, which financially guarantees the implementation of all decisions taken for the further development of the GDR capital as a political, economic, and intellectual-cultural center of our country and the fulfillment of the tasks set in preparation for the 750th anniversary celebration of Berlin.

Support of Citizens Initiatives With Funds of People's Representative Bodies

The Council of Ministers stresses the responsibility of all local councils to use these considerable means -- through close-to-life management and planning of measures -- with high effectiveness to improve the working and living conditions of the citizens in the various regions. This includes conscientious cost accounting and strict control over each mark. The experiences of 1985 show that the local representative bodies, their councils, and committees have developed excellent initiatives for tapping reserves in enterprises and cooperatives, which are also reflected in the positive results of their budget management.

This positive fulfillment of the national economic tasks in the bezirke and kreise during this year is the reason why all cities and villages will have funds of the peoples representative bodies in 1986, too. This ensures that the necessary financial means are provided for our citizens' initiatives for worthily preparing for the 11th SED Congress and for successfully implementing its decisions.

Distinguished deputies, the Council of Ministers expresses the conviction that the implementation of the 1986 State Budget Plan will also contribute to worthily preparing the 11th SED Congress by our consistent continuation of the course for strengthening socialism and safeguarding peace, for the welfare and the happiness of the people.

On behalf of the Council of Ministers I ask you to endorse this draft bill.

NATURE OF U.S. 'STAR WARS' PLANS ANALYZED

LD180956 Budapest Domestic Service in Hungarian 2120 GMT 17 Dec 85

["Ten Minutes of Foreign Politics" program]

[Text] [Announcer] Strategic Defense Initiative or "star wars?" Our correspondent Elemer Csak has sent us a report on the debate under way in the United States:

The director, known for his pseudoscientific films, has lodged a complaint at the courts, saying that he invented the expression "star wars: and he would like to regain his ownership rights over the much-used phrase. Now, as far as the major proponent of the "star wars" military plan is concerned, he is not to blame. Ronald Reagan has on several occasions dissociated himself from the formulation, because -- and he makes no secret of it -- he is afraid that the expression might compromise the allegedly peaceful and humane program. In exchange, the President offers the name Strategic Defense Initiative.

Common parlance and the press, however, are stubborn. They like definitions that are to the point and are reluctant ever to use three-letter abbreviations. In connection with the Reagan-bestowed appellation, however, there is also a substantive reservation, about which more and more is being spoken in the United States. The situation, in fact, is that the Strategic Defense Initiative in essence may well be strategic, but it has long since been no initiative; and, as many experts point out, it is by no means a defensive, but a potentially offensive armament program.

The "star wars" debate is under way on several levels throughout America. It is on the agenda, just as the key issue of Soviet-U.S. relations or the reduction of armaments are, but it is also the subject of sharp differences from the scientific-technical viewpoint. More than 1,700 physicists, including 15 Nobel Prize scientists, are proving that the concept cannot be realized. The stormiest and at the same time most decisive clashes, however, will begin when the legislature decides whether the U.S. budget, struggling under a deficit, can undertake the launching of a $800 billion arms program.

However, no matter from what viewpoint we look at the "star wars" plan, one thing is beyond doubt: The United States is facing a momentous choice and must decide whether to fundamentally alter its former military strategy. And, let us add, unlike earlier programs, this one requires decades. By way of comparison it might be worth recalling that the Manhattan Project, the development of the atmoic bomb, took 4 years; landing on the moon required 8 years of preparation; the construction of the space shield will take 20-30 years. It will require total reorganization of resources, and places military confrontation on an entirely new base. According to the argument of the Washington Administration, the program is worth the colossal cost because it will guarantee defense for the Western allies, primarily the United States, against a hypothetical Soviet nuclear attack; further, it will put an end to the practice of nuclear deterrence and with nonuclear means it will prevent the outbreak of total war.

Critics of the concept, however, already consider the basic principles to be faulty or deliberately misleading.

There is no such thing as a perfect defense system: consequently, the plan only further encourages the development of offensive weapons, prestigious experts of military science point out. And, particularly in light of most recent information, they blame the administration for including nuclear elements in the program already now in the initial phase of the research. This is illustrated by the fact that they intend to guarantee the energy supply of antisatellite weapons by means of small nuclear reactors in space; to say nothing of the leaked decision that there are plans to speed up underground nuclear explosions for the development of X-ray laser weapons.

However, instead of continuing the list of arguments for and against, let us now look at the anxiety which most strongly confronts the credibility of the space defense system -- namely that with the deployment of the weapons' system the United States wants to obtain first-strike capability against the Soviet Union. This view is held by many American scientists, among them Professor Dr Michio Koku, who spoke about this to Hungarian radio:

The President is giving us a new image of nuclear war. It will be almost like a picnic, said the City University of New York physicists, at which, after we have eaten the roast chicken and the potato salad, we can admire a sort of cosmic show. This representation strives to remove the fear that has lived in us since Hiroshima, tries to disarm the sense of collective responsibility, and to present nuclear war as a mere fireworks display.

Facts, however, say something different and every physicist knows that there is simply no such thing as a 100 percent safe defense shield.

I then asked the physicist: If this is so evident, then why is the Washington Administration trying to insist on a several hundred million dollar program that will not work?

He replied: I think the answer is compelling, because it is not primarily a defensive system. In other words, from the military viewpoint, the program is a first-strike offensive weapon system. When a fighter goes into battle he takes a shield and a sword with him. With the sword he tries to disarm his opponent, but if this succeeds only partly, if the opponent is not annihilated, only weakened, then the fighter puts the shield before him to fend off the counterattack. The comparison helps us to see that the "star wars" program is a missing link, a missing link for the creation of a first-strike capability. I could also put it like this, Professor Koku adds: Here it is a question of that element of nuclear war strategy which was not available in past decades. Today, starting a nuclear war obviously means suicide. If, for example, here in American we push the button, in the first strike we could only annihilate half of the Soviet Armed Forces and we would have to reckon with retaliation. By the end of the nineties, the success rate of first-strike with MX missiles and robot planes will perhaps increase this figure to 80-90 percent. But even then, 10 percent of the opponent's nuclear force will remain, and then comes the "star wars" program. The purpose of this shield is to provide a defense against the remaining 10 percent.

So, are you saying, I asked the professor, that the United States is, in the last resort, preparing for the physical annihilation of the Soviet Union with the realization of the "star wars" plan?

He replied: It does not mean the Pentagon will strike first. However, the danger of war will increase to a remarkable degree, since, in the event of an international crisis, it might happen that the Washington generals will say: Mr President, our nuclear force will destroy the enemy with a 90-percent certainty. The space shield, on the other hand, will defend us from a counterstrike. So let us push the button. In the past there were several such proposals; this is a proven fact. Fortunately, not a single government has dared to take the risk. The space defense system, however, will be a huge temptation for them to take the first strike.

In your opinion, then, what is to be done, I asked the New York physicist in conclusion.

I think the only alternative is to stop the "star wars" program and the 50-70 percent reduction in nuclear offensive weapons with mutual control, Professor Michio Koku said. Naturally, we could say a lot about aspects of the Strategic Defense Initiative, since the fate and practical realization of "star wars" will be influenced by a series of political and economic factors. It could be the subject of an independent analysis whether the U.S. Administration itself believes in the possibility of implementation or whether in essence it wants to force on to the Soviet Union a technological, scientific, and economic race which Washington hopes it will be unable to pursue to the end. Therefore, a maze of questions remains unanswered, and one is bound to believe that their number will only multiply in the near future. One thing has become certain recently, or at least, of one thing the U.S. observers have little doubt: While many people expected, before the Geneva summit meeting, that Washington, in the hope of compromise, would renounce its "star wars" program, now virtually every commentator is convinced that in the United States the speeding up of space weapons research is on the agenda.

LAZAR, DELEGATION RETURN FROM CEMA SESSION

AU201353 Budapest NEPSZABADSAG in Hungarian 19 Dec 85 p 1

[Text] The Hungarian delegation to the CEMA 41st (extraordinary) session led by Premier Gyorgy Lazar returned home on 18 December. Members of the Hungarian delegation were: Ferenc Havasi, MSZMP Central Committee secretary; Jozsef Marjai, deputy premier and Hungary's permanent representative to the CEMA; Deputy Premier Lajos Faluvegi; Pal Tetenyi, chairman of the National Committee for Technical Development; Gyula Horn, state secretary of the Foreign Affairs Ministry; and Istvan Szigeti, Hungary's deputy permanent representative to the CEMA.

MSZMP DELEGATION RETURNS FROM BUCHAREST

LD220050 Budapest MTI in English 1706 GMT 21 Dec 85

[Text] Budapest, December 21 (MTI) -- Janos Berenc, Lenard Pal and Matyas Szuros, secretaries of the HSWP CC, who attended the Bucharest conference of the secretaries of the communist and workers parties of the socialist countries in charge of foreign and ideological matters on behalf of the HSWP, returned from Bucharest, Saturday [21 December].

The delegation was accompanied by Janos Barabas, Laszlo Kovacs, Andras Knopp, deputy department heads of the CC, and Csaba Tabajdi, head of sub-department.

The delegation was received at the Ferihegy Airport by Laszlo Marothy, deputy chairman of the Council of Ministers; State Secretary Rezso Banyasz, chairman of the Information Office; and Miklos Raft, head of the Secretariat of the Council of Ministers. Also present was Boris Stukalin, Soviet ambassador in Budapest.

COUNCIL OF MINISTERS HOLDS 19 DEC MEETING

LD202240 Budapest MTI in English 1742 GMT 19 Dec 85

[Text] Budapest, December 19 (MTI) -- At its Thursday [17 Dec] meeting the Council of Ministers honoured the memory of its former member, Istvan Olah, minister of defence.

Prime Minister Gyorgy Lazar gave a report on the 41st (special) session of the CMEA which discussed and approved the complex programme of scientific-technical development of the member states until the year 2000. The Council of Ministers adopted the report.

The government heard and approved a report on the prime minister's official, friendly visit to Socialist Federal Republic of Yugoslavia.

The Council of Ministers adopted a report on the conclusion of Hungarian-Soviet plan coordination for 1986-1990. It discussed the results of the 1985-1990 plan coordination and long term trade talks with CMEA countries. It stated that they are in accordance with the economic political targets of the Seventh Five-Year Plan period and an important contributory factor of their implementation.

The government approved the national medium-range research and development plan for the Seventh Five-Year Plan period. The plan includes the most important research-development targets, and research-development programmes that lay the foundation of the acceleration of economic development, in accordance with the national economic plan.

The Council of Ministers modified law decrees on housing economy and home building and purchasing. Modifications, besides measures aiming at the extension of house supply, assist large families and young couples setting up home.

NATIONAL ASSEMBLY CONVENES FOR WINTER SESSION

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[Text] The winter session of the National Assembly has convened. The deputies have elected Academician Rezso Bognar, chairman of the Constitutional Council, to the Presidential Council in place of the deceased Laszlo Nanasi. After this, at the submission of Imre Markoja, minister of justice, the electoral law was modified and decisions were made about filling the vacancies that have arisen on the national electoral list. According to this, within 1 year of the seat falling vacant, the National Assembly will elect a deputy nominated by the Patriotic People's Front.

The deputies have begun discussing the Seventh 5-Year Plan of the people's economy which was submitted by Deputy Premier Lajos Faluvegi, chairman of the National Planning Office. Also on the agenda is the debate on next year's budget.

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[Excerpts] The National Assembly started its work, as has become traditional, at 1000.

In the first few minutes the deputies made decisions on some points on the agenda. They remembered those fellow deputies who have died between the two sessions; they registered the new fellow legislator for Somogy County, Dr Sandor Borsos, and they elected Rezso Bognar. Perhaps the most important point for discussion on the agenda, which promised to last a long time, was the debate on the Seventh 5-Year Plan of the people's economy. The agenda of the winter session also comprises the 1986 budget, the financial plans of the councils to 1990, and -- according to the agenda adopted in the first few minutes this morning -- a debate on the draft amendment of the Constitution and the Election Law which took place this morning.

The agenda was presented by Dr Imre Markoja, minister of justice. In his introduction he said that it has been precisely 2 years since the National Assembly adopted the law governing the election of National Assembly deputies and council members and, as we know, this year's elections took place according to this law. He also told his fellow deputies that the June elections were characterized by active participation by citizens; the electors made the most of the opportunity and, in addition to the several candidates in many places, they even nominated their own candidates. He described the large-scale participation in voting as an increase of democracy. We now recall a few details from the minister of justice's speech.

[Begin Markoja recording] Esteemed National Assembly: This favorable and fundamentally positive assessment of the elections and the experiences of the application of the new electoral law does not, naturally, mean that it is not going to be necessary in the future to make a detailed analysis, to draw the necessary conclusions on the basis of the analysis -- and if it seems necessary -- to make certain improvements in the legal provisions as well. We shall definitely do this work primarily around the middle of the period between the two elections. However, one problem has occurred that we think already needs solving: making up for the absence of a regulation governing filling vacant seats of deputies elected on the national election list. Since the elections, because of sad deaths, two seats have already fallen vacant on the national election list. Because outstanding representatives from various social interests and levels are placed on the national list it would be wrong for them not to be replaced until the next elections. By the way it would also offend the right of electors according to whose interests representation should be as comprehensive as possible. Thus the National Assembly will chose deputies to fill vacant seats of deputies on the national election list within 1 year of the seat falling vacant. This right of nomination belongs to the PPF National Council.

In accordance with this new constitutional measure it is of course also necessary to amend the Election Law so that the time limit is already regulated in the draft bill regarding filling the seats of deputies that fall vacant. The 1-year time limit makes it possible, after the necessary preparation, for the National Assembly to elect a deputy in accordance with this law.

Commissioned by the Council of Ministers to request the esteemed National Assembly to adopt the proposed draft bill and thereby make it possible to fill vacant seats of deputies on the national election list, I ask those who accept the proposed draft bill to signal this by raising their hands. Thank you. Is anybody opposed? Nobody. Are there any abstentions? None. I declare the resolution: The National Assembly adopted the draft bill on the amendment to the Constitution and the Election Law in general and in detail unanimously with the prescribed qualified majority of votes.

Esteemed National Assembly: According to the agenda the next point is discussion on the draft bill for the Seventh 5-Year Plan. Lajos Faluvegi, deputy chairman of the Council of Ministers, has the right to speak. [end Markoja recording]

Here we stop for a moment because we can hardly give you the full text of a speech which lasted nearly 1 and 1/2 hours. Therefore we are forced to sum up some of the more important issues in the speech. Lajos Faluvegi started by saying that the draft bill for the Seventh 5-Year Plan now being presented is based on the resolution by the 13th MSZMP Congress and the Government work program which was adopted this summer. It sets the realistic priorities for social progress and economic development. The priorities are -- I think you know them, too -- speeding up economic modernization, gradually stimulating economic growth, and a tangible improvement in living standards. When a medium-term plan is prepared one of the basic questions is what kind of experiences and lessons should planners base their planning on. Lajos Faluvegi recalled the difficult conditions of past years, the results, the questions arising, and the remaining problems too. After this he focused on the two great lessons of economic development from the immediate past.

[Begin recording] One important lesson: The advantages and subsequent burdens of foreign credits must be considered with particularly great attention; we can become indebted only to the extent that the burdens of the debts -- even in the case of an unexpected worsening of conditions -- do not too excessively restrict our economic policy's room for maneuver. In the course of the present planning work for the medium and long term, we attempted to ensure that distribution at the expense of the balance should not reoccur. This can only be avoided, however, if the moderation regarding allocation lasts not only as long as the state of emergency, but even when economic circumstances become more regulated. It is our common responsibility that, in the necessities and realities of the present, we should treat on an equal level the interest of future generations and the requirement of the continuity of development.

It follows from this that in the period of the Seventh 5-Year Plan we shall have to further reduce our debts, although at a slower rate. On the other hand, with regard to assets for the modernization of production and for technical development, we will have to better utilize the international financial possibilities and capital which can be involved to suit our interests and which would operate in this way. We must utilize these better than hitherto.

The other lesson is that the economic policy's direction and management should be allowed to maneuver more easily. We must be more ready to utilize with greater readiness the lessons learned from international trends of technical and economic development and the requirements of international cooperation. All of us, while keeping in mind the strategic objectives, must be able to adapt more quickly to changing circumstances. It is impossible for us to see precisely everything and to decide everything in advance for the next 5 years. Even the wisest administration and the farthest-seeing plan cannot undertake such a task in today's world. In other words we must be open and flexible in planning, in the interpretation of our plans in direction, and in our everyday work regarding the economy.

Therefore, in the course of the 2 and 1/2 years of economic planning work, based on the various assumptions of external and internal conditions, we have thought from the start about alternatives.

We formulated the given alternatives, we introduced them, in the process of creating the plan, to social and interested representative organs, and we debated them in the Planning and Budget Committee of the National Assembly. Eventually it was the alternative between the most favorable and the least advantageous varieties which proved realistic, and in our planning work we laid our foundations for that one.

The draft plan we are now recommending for adoption best harmonizes the economic unfolding, the balanced requirements, and the social aims and conditions considered acceptable by the interested representative organs. [end recording]

The chairman of the National Planning Office then acquainted the deputies in detail with the ideas relating to the Seventh 5-Year Plan. He spoke about the expected development of foreign trade and the plan's related strategy, the essence of which is that relations with the CEMA countries will continue to have outstanding importance, but in addition we will continue to have an interest in the development of economic relations with the advanced capitalist countries and the developing world in the longer term.

Let us now review the most important indicators for Hungary until 1990. In other words, let us continue from here, in the studio, with figures.

The new 5-year plan calcuates 5-17 percent growth of national income. Internal consumption is planned to grow by 8-10 percent, which is higher than at present. The tasks for industry grow significantly in the next 5 years. According to the plan, production between 1986-90 will grow by 14-16 percent, while its contribution to the national income will expand by 24-26 percent. This means in practice that our new 5-year plan is based on goods which are more valuable and saleable on the international market. In the past 5-year-plan period, some industrial branches, for example in metallurgy, the construction industry, and other basic material producers, the income produced dropped by an annual average of 4 percent. In the new 5-year plan the income produced is expected to be 6 percent year. Construction industry output is to grow on average by 2.5 percent per year, growing in total during the 5 years by between 12-15 percent. The plan envisages a rapid growth for telecommunications development.

For the fulfillment of these aims, significant sums are necessary. Lajos Faluvegi said that for 5 years, 1.2-1.5 billion forints are available to the socialist sector for investment. This sum is calculated on current prices. Forty percent of this sum is for central and council investment. The rest is investment decided by enterprises. The plan also calculates -- the population's contribution -- plans for house-building in particular. After this Lajos Faluvegi spoke about technical development and said that the Seventh 5-Year Plan endeavors to adjust to the changes in world technology. Hungary spends 3 percent of the internal consumption of our national income on scientific research. The budgetary support for scientific research will grow by nearly 30 percent in the nest 5 years in comparison to the last period. Research-related investments will double in the next 5 years. Now let us listen to what he said about the effect on our everyday lives.

[Begin Faluvegi recording] We have projected greater growth for the new plan period than that achieved in the past 5 years. Our plan is to increase national income by an annual average of 3 percent, that is between 15-17 percent in the 5 years. Domestic utilization of national income will be allowed to exceed this year's level by between 13 and 16 percent by 1990. This is a substantial change indeed in comparison to the past 5 years, because it will make it possible to consolidate the equilibrium while at the same time the population's consumption can grow by between 8-10 percent.

The proportion of unsupplemented, that is net -- accumulation-- within the domestic utilization of the national income should reach 15 percent by the end of the plan period. And the ratio of supplemented -- that is gross -- accumulation should reach 25 percent. Through these increases the national wealth can grow by between 12-15 percent. But we can only lay the groundwork for these goals which can be regarded as the backbone of the plan of the people's economy by much better performances than hitherto.

In the course of determining the tasks for the Seventh 5-Year Plan in the sphere of raising the standard of living we took as our point of departure the need to improve the supply of goods, the need for incomes to reflect performance more accurately, the need for social provisions to be more closely aligned with need, and the desire to realize the distribution of incomes in its entirety with a more proportionate distribution of the public burden.

How are the sources of financial recognition and motivation developing? Real wages in 1990 can exceed present real wages by approximately 5 percent, assuming that results will be in line with the plan. The government recommends that in their wages policy enterprises should devote particular attention to irreplaceable skilled workers, to engineers who prove excellent in planning and implementing new technological solutions, to the middle managers who direct production well, and to workers with initiative. Amid the requirements and conditions of the new type of economic management, this is in the elementary interest of every community.

The incomes deriving from social insurance and the social provisions form a very considerable proportion of the population's incomes, even when compared with the international norm. In the coming years this will increase to a small extent from 34-36 percent. In the plans we expressed or long-term endeavor to ensure that social provisions should expand in line with the overall economic performance. We shall devote a slightly higher percentage of the national income, 5-6 percent, to the functioning and development of institutions in the health and social welfare sector, while we will devote an unchanged 8-9 percent to education. During the plan period it is the primary task of the health service to modernize the work of the basic provisions -- that is, general health care of children, factory medical services, and dentistry -- to improve their supply of machines and instruments. Prevention and health information require and will receive greater attention.

A social and economic program for the development of education is being prepared. This will put considerable emphasis on the need for education to become more modern socially, organizationally, and in content, in line with the Education Act which was recently enacted.

In the interest of providing the appropriate education for families with a large number of children, the chief task is now to improve the economic conditions of secondary education. In the years to come we shall -- in an order which has been determined -- renew our great museums, galleries, and several noted church monuments.

The government is aware of the fact that the greatest worry of families and particularly of young people is still the acquisition of housing. We expect 320-340,000 new dwellings to be completed during the Seventh 5-Year Plan period and that at the end of the plan period one-fifth of all dwellings constructed will be government housing. By 1990 almost three-quarters of all dwellings will have piped water. Although the proportion of dwellings linked up with the sewerage system will also increase, we cannot be satisfied with that. [end Faluvegi recording]

Lajos Faluvegi also spoke about what we must do to implement these goals.

[Begin Faluvegi recording] We must pay more attention to each other's problems and endeavors. The governmental, functional, and branch directing organs should try to understand better that enterprises want to exist and develop, that communities want to flourish, and that not all can achieve these goals because they lack the necessary resouces. In short, some need help. The fact that enterprises want more permanent regulators is also fair because they want to plan for the future. In turn, the enterprises must understand that it is in our mutual interest to rigorously safeguard the economic equilibrium, a secure energy supply, to protect the environment, to maintain and develop the infrastructure, the social institutions, and to make continuous and harmonious progress. These are social interests that are primarily the responsibility and task of the government. Thus, the regulators must also express the general economic situation and its ability to bear burdens, and to that entent it is necessary to accept their objectivity, even if at times they exert an uncomfortable pressure.

Naturalyy, the government's economic organizations' intentions and endeavors will converge if we utilize existing resources everywhere -- meaning in the government's sphere as well -- with foresight, thrift, and purpose, and if everyone's sense of responsilibity strengthens in this respect. This way there will be more for everyone and there will be less frequent need for us to intervene in everyday processes.

We ought to renew mutual understanding, shared thinking, and mutual trust in these interconnections, on this basis and approach, I am convinced that the present debate will contribute to this. [end recording]

The first speaker in the debate was Academician Jozsef Bognar, who spoke on behalf of the National Assembly Planning and Budget Committee.

[Begin Bognar recording] In the course of lengthy debates which covered even the most sensistive questions, the Planning and Budget Committee came to the conclusion that it would recommend acceptance of the plan to the National Assembly based on the fact that in the present situation of available resources, planning for a higher rate of growth and greater exports is not realistic.

However, it is disquieting that if the growth rate and export increase prescribed in the plan are realized the position of the Hungarian economy in the world economy will continue to deteriorate, which in view of the greater growth and probable market penetration of other groups of countries presents a potential danger of falling behind economically. This danger can be averted if we can develop a more selective strategy and a more emphatic export strategy in our economy. A more selective strategy is also necessary because, as a result of the threat of the various types of lack of equilibrium in the macro-economy, there is and will continue to be a need for a certain restraint. On the other hand incentives are needed to eliminate the factors which cause an imbalance since this is part of the long-term strategy. In the given situation it is obvious that incentives must be export-orientated since the imbalance can never be eliminated by curbing imports. [end recording]

Ferenc Havasi, member of the Politburo and secretary of the MSZMP Central Committee, asked for and was given an opportunity to speak this afternoon. In his speech he described the national economy draft as very important not only from the economic but also from the social and political viewpoints. With a view toward drawing lessons and making a realistic assessment, be briefly reviewed the past 5 years. In his domestic and international analysis he spoke about results and tasks alike. He ascribed a big role to international economic cooperation; within this he especially stressed our work distribution with the CEMA countries which is based on mutual advantages and which will expand in the future. Here are extracts from his speech:

[Begin Havasi recording] Esteemed National Assembly. Now at the end of the plan period we can say that our society has managed to get through the critical period without social shocks while simultaneously preserving our basic social achievements in such a way that in some important areas of the economy significant changes have taken place. One of these is that the process of disintegration in the conditions of internal and external equilibrium, and the growth of debt which accelerated in the Fifth 5-Year Plan period, have ended. The other thing is that a modest but nevertheless noteworthy development has occurred in numerous areas of production and consumption. In 1985, calculating on the basis of comparable prices, the national income is higher by some 50 billion forints, industrial output by 112 billion forints, and agricultural production by 65 billion forints compared with 1980. The real value of the population's per capita consumption in 1985 increased to nearly 57,000 forints from the 1980 figure of 53,000 forints. The housing stock is growing. The improvement is well illustrated by the fact that in 1980 there were 113 families for every 100 dwellings; while in 1985 this figure was 105 families. With regard to the housing supply, we occupy a middle position on the European scale.

Finally, one of the major results of the Sixth 5-Year Plan is that it has once again brought the country's economy into equilibrium. The budget situation is better than it was in the Fifth 5-Year Plan. We are exporting more than we are importing, our earnings exceed our expenditures. Even if this equilibrium is fragile, it does exist, and this must be consolidated. This is no small achievement; it is respected internationally, as well, and it also contributes to our favorable international standing. Concomitant with the results we must also see that the chosen path has produced new areas of tension.

One in that the decrease of developmental sources has slowed down the Hungarian economy's desirable and unpostponable structural development. The other thing is that the conjunction of unfavorable external and internal circumstances, the resulting level of inefficiency, have increased the inflation pressure always latent in the Hungarian economy, as a result of which an annual inflation rate of 4.2-8.3 percent has evolved in Hungarian economy.

We have not been able to maintain the real value of earnings and cash social benefits; real wages have fallen; the services of our budget institutions have deteriorated and all this has unfavorably affected public morale.

With the development of economic management there is a change in the work distribution between central economic management organs and enterprises: The workers' right to dispose of and decide on the enterprise's means and assets entrusted to them is expanding; new mechanisms for coordinating interests are developing: all these things demand the development and modernization of the system of political institutions.

The democratic features of our society are becoming stronger. This is well illustrated by the measures that have been taken to modernize the system of public administration, to elaborate and successful apply to the new electoral law, to expand the villages' and towns' power of self-administration. The growth of enterprise independence presents new tasks to local enterprise social organizations.

In our country the period of irreconcilable class differences belongs to history -- to the past. But even in the period of buiiding a developed socialist society there are various, often contradictory, interests. The recognition of these, resolving their contradictions, and creating possible harmony is one of the most important and most complex tasks of political leadership and direction. This also demands a renewed style, method, and practice of political work. Experiences show that society is understanding if the development of progress is limited by sparse material resources or by reasons beyond our control. But it is a factor that irritates the public mood if people see that progress is impeded by subjective restraints, by errors of direction or execution, or by inconsistencies. This underscores all the more the tasks and responsibilities of cadre political work in finding leaders who understand and represent the interests of society, who meet the expectations of society, and who are capable of satisfying present and future demands and adopting the right priorities.

Disciplined, well-organized, good-quality work is an indispensalbe condition for successfully realizing our economic tasks. It is a wide-scale experience that in recent years work discpline has deteriorated; we do not adequately use the working hours. According to various estimates and calculations one-fifth to one-sixth of production is lost during working hours. The reasons for this are complex. Therefore improving work discipline requires direct action and regulation alike; it requires internal interestedness and organizational measures in managing organizations as well as a political and ideological work that will result in an outlook change.

Change is needed in the development of work schedules on feast days and holidays, in the system of leave allocations, in the practice of employment rehabilitation, in the method of handling labor disputes, in the expansion of the possibilities of making use of services outside working hours, in the organization of various social events in a way that saves working time.

All this is aimed not at defrauding the workers; quite the contrary: it helps to increase the distributable income, and thereby the workers' interests, by making better use of labor and organizing production more rationally. On every level of social and economic direction the necessary steps will have to be taken in the very near future on the basis of an adequate program. [end recording]

In the afternoon's debate two deputies spoke about energy. Jenoe Merie, Baranya County deputy, managing director of the Mecsek coal mines, and Aladae Jurakovics. The latter, a Szeged deputy, who works in Algyoe, said that with regard to oil excavation, we can hardly expect further oilfields to be opened up now in Hungary. On the other hand, we can expect a more economic exploitation in the next 5-year plan and this demands accelerating investments. Zala County Deputy Ferencc Karvalics said that at times economic administration must give way to the other requirement that those living in all communities should have better, more human living conditions. Gustav Lekai, from Hajdu-Bihar County spoke about full employment. He said that the regrouping of labor must be carried out so that every person is taken into account. Imre Kocza from Heves County spoke about the exploitation of enterprise reserves and urged an increased search for ways to increase efficiency.

The National Assembly continues its work tomorrow.

BRIEFS

AGREEMENT WITH SOVIET WRITERS -- Budapest, December 20 (MTI) -- Miklos Hubay, president of the Hungarian Writers' Union, and Anatoliy Ivanov, secretary of the Writers' Union of the Soviet Union, signed a plan of cooperation for the period 1986-1990 in Budapest Friday. The agreement, which was discussed by the two writers' union leaders at a secretariat session, envisages more frequent meetings of authors, bilateral roundtables, exchange visits of translators, cooperation between literary periodicals, and post-graduate training for translators. The joint secretariat session coincided with the 17th session of the Hungarian-Soviet literary joint committee for the translation and publishing of literature. An aide-memoire was signed on the session by co-chairman Miklos Jovanovics, general secretary of the Hungarian Writers' Union, and his Soviet counterpart, Petr Proskurin, secretary of the Soviet Writers' Union. The participants agreed to pay particular attention to the translation and publishing in Hungary of the literatures of Soviet peoples, as well as to a wider propagation of Hungarian literature in the federal republics and autonomous regions of the Soviet Union.

[Text] Budapest MTI in English 1807 GMT 20 Dec 85 LD]

AUTOMOBILE STATISTICS -- There are 1.4 million cars running in Hungary in 1985. Their average age is 8 years. In 1986 Hungary will import 35,000 cars from the GDR, 10,000 Skodas from Czechoslovakia, and 7,000 more Dacia cars from Romania than in 1985. Purchases of cars will also increase from Poland, while those from the Soviet Union remain on this year's level. The number of Zastava cars bought in Yugoslavia will be double in 1986 in comparison to this year's figure. [Summary] [Budapest Television Service in Hungarian 1800 GMT 22 Dec 85 LD]

PZPR POLITBURO PREVIEWS 23D CC PLENUM TASKS

AU171246 Warsaw TRYBUNA LUDU in Polish 12 Dec 85 pp 1-2

[Text] PAP -- The PZPR Central Committee Politburo examined draft versions of material which will be presented at the 23rd Central Committee Plenum. It was decided to hold the plenary session on 20 and 21 December. The plenum will be primarily devoted to discussing party tasks involved in the implementation of the socioeconomic development program for 1986. It will also examine a draft timeframe for preparatory work for the 10th PZPR Congress as well as information on the implementation of resolutions adopted at the 16th plenary session.

After familiarizing itself with the economic material and analyses which will be presented at the plenum, the Politburo judged the economy to have come out of a deep crisis. Thus, the main intention of the 3-year plan, which is about to end, has been realized. A certain degree of progress has been achieved in raising labor productivity and in the use of materials and energy. However, these results have not been achieved everywhere and do not attest to a definite improvement in managerial efficiency. The second half of the 1980's should bring more tangible results in this area and negative phenomena should be overcome more quickly.

Thus, the attainment of next year's social goals and a successful start to the new 5-year period of development will depend even more on the economical use of fuels, energy, and materials. It will also depend on economic growth being closely tied to higher labor productivity, technological progress, the development of export production, and on increasing the role of leadership cadres in nurturing labor and production discipline.

Well thought out, effective, and far-sighted work on the part of party members, party organizations, and cells, will have a great influence on the execution of these difficult tasks in the coming years.

In its appraisal of the implementation of the resolutions adopted at the 16th Central Committee PZPR Plenum the Politburo stressed that the program, which was formulated with the participation of workers' representatives at the plenum and during the course of consultations with workforces at 761 plants, is of strategic importance for the strengthening of the leading role of the workers' class in the construction of socialism in Poland. The importance of the resolutions adopted at the plenum calls for continual concentration on their implementation, and the attention and efforts of all party, state-administrative, and economic cells and organizations. This is also one of the reasons the Politburo has examined these problems for the fourth time this year.

The Politburo feels progress has been made in the execution of most tasks. The workers' class character of the party has been strengthened. The number of workers in the Sejm, on people's councils, in the trade union movement and in workers' self-management organs has increased. The bond between the party, union, self-management, and representative organs and the workers' class and working people is becoming stronger and should find more expression in the appropriate representation of workers' interests. Efficiency in the implementation of party decisions concerning the workers' class must be sought and enforced. Action cannot end with the adoption of just resolutions and proposals which are not later put into practice. Those who are guilty of negligence and indolence should be exposed and be made to pay the consequences.

The successful execution of economic tasks depends to a decisive extent on the activeness of the workforces. This can be promoted by incentive pay schemes, which have already proved to be worthwhile in many plants. These schemes must be based on the principle that pay depends on results and the quality of work.

The workers' class -- the owners of plants -- should observe the principle of economy in its everyday conduct and in the decisions taken by self-management bodies. The workers' class should initiate action aimed at improving quality and productivity, at improving the efficiency of work and organization, and at making rational use of labor. This is because better management at the enterprise level, as well as at the national level, is the key to the improvement in the standard of living of every employee, of the employee's family, and of all of society.

Workers' class initiatives and actions must obtain stronger support from managers, as well as party, union, and youth organizations.

Noting a need to implement long-term tasks adopted at the 16th Central Committee plenum more efficiently, the Politburo decided to direct the material it had discussed to the next Central Committee session.

The Politburo listened to a report on the course and results of official visits paid by W. Jaruzelski, PZPR first secretary and State Council chairman, to the Socialist People's Libyan Arab Jamahiriyah, the Democratic and Popular Republic of Algeria, and the Republic of Tunisia. These visits constitute a continuation of our active pursuit of expansion and the strengthening of our relations with nonaligned developing countries.

The talks were characterized by a spirit of friendship and mutual understanding, confirming that to a significant degree, Poland and the three North African states have similar or identical views on the most important, present-day world issues. The feeling is shared that world peace and security is threatened. As is the belief in the necessity of actively developing equal international relations which are free from all forms of pressure. The unchangeability of Poland's position on Mideast questions, including the Palestinian question, was underscored. A desire to expand economic relations was expressed and new areas for their development were reviewed.

Poland and Libya have been united by very close bilateral relations for a very long time. Colonel Al-Qadhdhafi visited our country 3 years ago. Talks held during the most recent meeting between the two leaders confirmed that regarding the most important questions in present-day international relations, positions were identical or very similar. Great emphasis was placed on the necessity of respecting independent and sovereign development, and on determined opposition to all forms of blackmail and imperialist intervention in international relations.

Talks held in Algeria between General W. Jaruzelski and President Chadli Bendjedid, and between the Polish delegation and their Algerian partners, affirmed the traditional friendship, cooperation, and mutual support which exists between both states and peoples. The important and constructive role played by the Democratic and Popular Republic of Algeria, and that played by its president in the Nonaligned Movement was underscored. It makes an important contribution to the struggle for international peace and security and equal cooperation between states.

The meeting between General W. Jaruzelski and President Habib Bourgubia in Tunisia was the first summit-level meeting between leaders of the two countries. The course and results of General W. Jaruzelski's talks with President Habib Bourguiba and other senior representatives of Tunisia confirmed that despite the geographical distance between the two countries and their different sociopolitical systems, Poland and Tunisia can cooperate fruitfully in the struggle for peace and can expand mutually advantageous cooperation.

The Politburo judged the results of the visits very highly. It was stated that the visits had given an impetus to the development of Poland's relations with the Arab states of North Africa.

The Politburo recommended that actions aimed at intensifying cooperation with Libya, Algeria, and Tunisia be undertaken.

The course and results of the Paris meeting between W. Jaruzelski, State Council chairman and PZPR Central Committee first secretary, and F. Mitterrand, president of France, were also discussed. The frank and businesslike talks between the two statesmen were useful for the process of reviving traditionally, friendly relations between France and Poland. The exchange of views improved mutual familiarity with, and understanding of intentions and positions. Both states' desire to work for a strengthening of the reduction in tensions, and for strengthening peace and security in Europe and the world was voiced during the meeting. The constructive positions of both states create an opportunity for a return to broader cooperation.

The Politburo expressed full support of Wojciech Jaruzelski's position and approved the proposals which had been made for the improvement and development of Polish-French relations in such a way that the interests of both nations, and dialogue and detente in international relations be served.

The Politburo acquainted itself with the course and results of the official visit of friendship paid to the Soviet Union by M. Orzechowski, PZPR Politburo candidate member and PPR minister of foreign affairs. The Politburo expressed its full approval of the results of the visit. The fundamental importance of strengthening the ties of friendship between the PPR and USSR, and of strengthening comprehensive cooperation and joint action in the struggle for peace and progress was noted.

The course of the visit and decisions made during it evidence a strengthening of Poland's international position and its role in shaping international cooperation in accordance with the principles of equality, mutual advantage, respect for sovereignty, and noninterference in internal affairs. This is of particular significance with respect to recent efforts to bring about a return to detente, especially after the Soviet-U.S. summit in Geneva.

23d PZPR CENTRAL COMMITTEE PLENUM HELD 20-21 DEC

Draft Bills Discussed

LD231051 Warsaw Domestic Service in Polish 0900 GMT 23 Dec 85

[Report by unidentified reporter]

[Text] The Sejm is meeting today. Here is our parliamentary reporter: Good morning. About half an hour ago the Sejm session began discussing the second reading of draft bills concerning state finances next year. The agenda includes: A report by the Economic Plan, Budget, and Finance Commission, and the commission for legislative work on the government draft bill on the fund for serving foreign debts; a report by the Science and Technical Progress Commission; the Economic plan, Budget and Finance Commission, the Industrial Commission, and the commission for legislative work on the government draft bill on central funds for the development of science and technology; a report by the Economic Plan, Budget, and Finance Commission, and the commission for legislative work on the draft budget for next year. A report by the plan commission also concerns six draft bills concerned with next year's state balance of payment, credit plan, balance of the population's monetary income and expenditure, monetary and credit policy provisions, plan of the central fund for cultural development, plan of the state fund for vocational incentives, plan fund for servicing foreign debts, and list of goods and services for which official prices apply.

Wojciech Jaruzelski and Zbigniew Messner are present. The session was opened by Deputy Speaker Jerzy Ozdowski. Jozef Andrzej Gierowski, and Maciej Nalecz were sworn in. A novelty at today's session is the draft bill on funds for servicing foreign debts. Deputy Wincenty Lewandowski issued a report on it. This draft bill is aimed at having enterprises that most often make use of production means purchased abroad within the framework of credit, to a much greater extent in the repayment of credits. Hence, the draft creates incomes for the fund from, among other things, payments made by units of socialized economy, up to 2 percent of the value of assets. Another draft, which will be examined today, concerns central funds for the development of science and technology in order to ensure resources for financing the tasks of capital importance for national economy.

10th Congress Set for June

LD211338 Warsaw Domestic Service in Polish 1105 GMT 21 Dec 85

[Unidentified correspondent's report on deliberations at 23d PZPR Central Committee Plenum]

[Text] Central Committee members and invited guests are taking their places after a short break before a concluding speech by the first secretary of the Central Committee.

There was a discussion after Henryk Bednarski, secretary of the Central Committee, presented the state and directions of work on a party program. Five speakers took the floor. Zbigniew Banff, miner of the Staszic colliery said that even in a difficult situation the party was able to indicate the development goals, and that the next years would show it did not renounce the program. This also appeals to the majority of society. It is necessary during the precongress campaign to collect all experiences and to consolidate the party around a program. Roman Golinski, Central Committee member, a state motor transport driver in Poznan, drew attention to the fact that preparations for the congress will generate the party's life and that one should make the best use of the increased activity. Both discussion on a party program and appraisal of the execution of the ninth congress decisions should be important elements in preparation for the congress.

The next speakers were Tadeusz Pirarski, Central Committee member and a doctor from Poznan; Jozef Brozek, Central Committee member and a plant leader in Wroclaw; and Zbigniew Huss, Central Committee member and a foreman in a Lidzbark repair works. While proclaiming themselves for adopting proposals, they drew attention to conclusions formulated during recent consultations among party activists concerning directions and forms of congress preparations, and to the need to acquaint work enterprises, party organizations, and society with such preparations.

After the discussion, the Central Committee adopted two resolutions, the first on the party's tasks for the implementation of the Central Annual Plan for 1986. It is stated in the resolution's preamble that systematic economic progress, based primarily on increased effectiveness, should be the party's permanent concern. It conditions the country's development as well as an improvement in society's living conditions. In the next part of the resolution the Central Committee confirms the will for the consistent implementation of the economic reform, which requires efficient solutions. This requires the improvement of economic mechanisms in accordance with the changing conditions and goals of development. The tasks of party organizations were also specified. They include developing socialist interhuman relations in work enterprises, consolidation of labor discipline, responsibility, a sense of duty, and readiness for cooperation and friendly attitudes. The resolution reads it is a duty of the party, its echelons and organizations to allow a man to realize his capabilities, abilities, and creative passions.

Party organizations should initiate the development of various forms of factory-level cooperation among trade unions, self-management and youth organizations, and associations in resolving production, development, and welfare issues.

The second resolution concerns the convening of the 10th PZPR Congress. It says: The PZPR Central Committee has decided to convene the 10th PZPR Congress in the last 10 days of June 1986.

The resolution also defines principles for electing delegates to the 10th party congress. The Congress Commission has been appointed, with Wojciech Jaruzelski, first secretary of the party Central Committee as its chairman. The commission includes Central Committee mememberes and candidate members, members of presidiums of the Central Auditing Commission and the Central Commission of Party Control, workers from large work enterprises, farmers, first secretaries of voivodship committees who are not Central Committee members, and merited party activists and experts.

In conclusion the resolution says: The Central Committee obliges the Politburo to adopt the guidelines for the congress campaign, based on the resolution.

10th Congress Tasks

LD221151 Warsaw PAP in English 1910 GMT 21 Dec 85

[Text] Warsaw, Dec 21 -- The PUWP CC Central Committee resolves to convene the 10th Congress of the Polish United Workers' Party in the 3rd decade of June 1986 in Warsaw.

We count on not only party members alone to take active participation in the discussion preceding the congress.

The Central Committee deems it purposeful that the 10th congress debate focus on the following topics:

-- Determining the state of progress in the process of socialist construction in Poland and outlining its long-term goals in the PUWP programme, with account being taken of the accomplishments and experiences in the implementation of the resolution of the 9th extraordinary congress.

-- Assessment of the socio-political and economic situation, outlining tasks conducive to a further improvement of the economic reform and to improved work quality and the level of society's living standards, and determining directions of the development of particular fields in the coming quinquennium.

-- Consolidation of the socialist Polish state, its ability to safeguard national security and fulfill its role in serving citizens, development of socialist democracy, putting social activity into the institution of people's rule and consolidating its commanding, superior position in the state.

-- Determining tasks in the field of consolidating the party's working-class character, its leading role in the state and guiding role in society, and in strengthening its Marxist-Leninism bases.

-- Outlining tasks in international policy.

The PUWP CC resolves that the pre-congress discussion will embrace the contents of the draft PUWP programme and congress theses.

The PUWP and the Political Bureau are responsible for preparatory work in advance of the 10th congress.

The PUWP CC appoints a Congress Commission, with PUWP CC First Secretary Wojciech Jaruzelski in the chair. The Congress Commission will include CC full and alternate members, members of the presidia of the Central Audit Commission and the Central Control Commission, workers from major work establishments, farmers, first secretaries of PUWP voivodships, committees who are not members of the party's central authorites, meritorious party activists and experts.

The PUWP CC resolves that the Congress Commission will be working within the following study teams:

-- Team for preparing the draft PUWP programme, with Political Bureau member, CC Secretary Jozef Czyrek appointed the team's chairman.

-- Team for preparing congress theses. Chairman: Political Bureau member, CC Secretary Marian Wozniak.

-- Team for preparing a draft resolution of the 10th congress. Chairman: Political Bureau member, CC Secretary Tadeusz Porebski.

-- Team for preparing a report on the Central Committee's activities and on the implementation of the resolution of the PUWP 9th extraordinary congress. Chairman: Political Bureau alternate member, CC Secretary Jan Glowczyk.

-- Team for reviewing and preparing proposals concerning supplements and amendments to the PUWP statute. Chairman: Political Bureau alternate member, CC Secretary Wlodzimierz Mokrzyszczak.

Each of the study teams should appoint, out of its membership, a presidium and a drafting committee. The latter body [words indistinct] include those who are not members of the Congress Commission.

Reports from activities of the Central Audit Commission and the Central Control Commission will be worked out by the commissions themselves, and will subsequently be filed with the PUWP CC, to be submitted to the 10th congress debate. The PUWP CC determines the following norms of representation and the principles of appointing delegates to the 10th congress.

The delegates to the 10th congress will be appointed by pre-congress party conferences held at the voivodship level, in factories, higher schools, and in the Polish Armed Forces.

The delegates to the 10th congress should be appointed in the proportion: one delegate representing 1,300 party members and candidate members.

The right to directly appoint delegates has been vested with factory and higher school party organizations with more than 650 members and candidates.

The party's membership (candidates included) at December 31, 1985 constitutes the basis on which to calculate the number of delegates to the 10th congress.

The PUWP CC is of the opinion that the delegates to the 10th congress should include outstanding workers and farmers, representatives of the intelligentsia, prominent party, state and social activists, young party members outstanding by their political activeness, accomplishments in work and [words indistinct].

The PUWP CC deems it purposeful to conduct widespread talks with individual party candidates and full members in the period preceding the 10th congress.

Individual talks should bring about increased involvement, discipline and the sense of responsibility on the party of PUWP full members and candidates for thorough preparation of the 10th congress.

The PUWP CC resolves that the congress campaign in the period between September and December 1986 should include report-election conferences with the participation of delegates appointed during meeting and conferences preceding the congress.

The PUWP CC obligates the Political Bureau to adopt -- basing on this resolution -- "guidelines on holding a congress campaign."

Plenum Ends; Appointments Made

LD211942 Warsaw Domestic Service in Polish 1800 GMT 21 Dec 85

[Excerpts] The 2-day, 23d Plenum of the PZPR Central Committee has ended in Warsaw. The Central Committee approved a resolution on the convening of the 10th PZPR Congress in the last 10 days of June next year.

During the organizational part of the deliberations, at the motion of the Politburo, Jozef Baryla has been appointed to the post of secretary of the Central Committee. In a secret ballot, Jozef Baryla was elected by 167 out of 173 possible votes.

Changes affecting the posts of heads of departments of the Central Committee have also been approved. Bronislaw Ratus, head of the Department of Science, Education and Scientific-Technological Progress had been recalled from his post in connection with his transfer to scientific and teaching work within the system of higher party education. The appointment of Boguslaw Kedzia, formerly deputy head of the department, to this post has been accepted.

Janusz Kubasiewicz has been recalled from the post of head of the Social and Legal Department in connection with his election as first secretary of the Warsaw Committee. The Central Committee accepted the appointment of Stansilaw Ciosek, former minister in charge of trade union affairs, to this post. The appointment of Jerzy Lazarz who for many years has occupied the post of deputy head of the Department of Information of the Central Committee, to the post of head of this department, has been accepted.

The plenum has recalled Wlodzimierz Natorf, head of the foreign department, in connection with his transfer to a senior post in the diplomatic service. The appointment of Ernest Kucza, who formerly occupied the post of deputy foreign minister, to this post has been accepted.

PAYMENT RESCHEDULING DISCUSSED WITH PARIS CLUB

LD202227 Warsaw Domestic Service in Polish 1900 GMT 19 Dec 85

[Text] A meeting between the Paris Club and the Polish delegation took place in Paris on Tuesday and Wednesday [17-18 December]. The subject of the talks was the agreement on the principles for rescheduling payments due to government creditors toward the end of this year and in the coming year. The Polish delegation reported on the expected state of Poland's balance of payments in the current year and on preliminary assumptions for 1986. The talks will be continued in the near future.

OLTEANU HEADS BUCHAREST PARTY, GOVERNMENT

AU201251 Bucharest AGERPRES in English 1238 GMT 20 Dec 85

[Text] Bucharest, AGERPRES 20/12/1985 -- The Romanian capital venued the plenary meeting of the Bucharest Municipality Committee of the RCP and the session of the Bucharest Municipality People's Council which adopted a number of organizational measures.

Taking account of the fact that under a presidential decree Gheorghe Pana had been appointed minister of food industry and farm produce acquisition, the plenary meeting decided to release him from the office of first-secretary of the Bucharest Municipality Committee of the RCP and member of the Bureau and of the Bucharest Municipality Committee of the RCP. The session also decided his release from the office of chairman and member of the Executive Committee of the Bucharest Municipality People's Council.

The plenary meeting appointed Constantin Olteanu, member of the Executive Political Committee of the CC of the RCP, as member of the Bucharest Municipality Committee of the RCP, of the Municipality RCP Committee Bureau and to the office of first-secretary of the Bucharest Municipality Committee of the RCP.

Under a presidential decree Constantin Olteanu was also designated chairman of the Executive Committee of the Bucharest Municipality People's Council.

REPORTAGE ON VISIT BY BULGARIA'S ZHIVKOV

AU141759 Bucharest AGERPRES in English 1719 GMT 14 Dec 85

[Text] Bucharest, AGERPRES, 14/12/1985 -- Invited by the general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, Nicolae Ceausescu, the general secretary of the CC of the Bulgarian Communist Party, president of the State Council of the People's Republic of Bulgaria, Todor Zhivkov, will pay a visit of friendship to the Socialist Republic of Romania in the last decade of December.

Todor Zhivkov's visit of friendship is expected with interest in Romania, as the Romanian people is convinced that the new meeting between the Romanian and Bulgarian party and state leaders will go down as another moment of reference in the chronicle of the traditional relations of friendship and collaboration between the two countries, and will contribute, through its results, to taking this relationship on to a higher stage, in the interest of the Romanian and Bulgarian peoples, of the cause of socialism, progress and peace in the world.

The new Romanian-Bulgarian summit dialogue in Bucharest falls within the broad context of the friendly and cooperative ties between the RCP and the BCP, between the two countries and peoples. Taking place on Romania's and Bulgaria's soil, the frequent meetings and talks between Nicolae Ceausescu and Todor Zhivkov have each time gone down as events of paramount importance for the steady development and diversification of Romanian-Bulgarian relations, which today, make up an example of cooperation between two neighbour socialist countries.

Romanian-Bulgarian collaboration in the economic realm takes an upward course, with material goods exchanges almost doubling from one five-year period to another. Telling in this respect are the major projects that have been either built or will be built on the Danube, such as the friendship bridge, the heavy duty equipment and plant works at Giurgiu-Ruse, the future waterpowers system at Turnu Magurele-Nikopol, as well as a new hydroelectric plant to be built on the Danube, a. o. The long-term programme for the development of economic and technical-scientific collaboration, signed at top level, provides for new steps to expand, still more, the framework of bilateral cooperation, promote new, higher forms of turning into account the potential of the two countries' economies. Collaboration will grow mainly in key industrial branches, such as mechanical engineering, the electronic, electrical engineering, metallurgical, chemical and other industries.

Moreover, the two countries' links in the technical-scientific area, their ties in culture, education, tourism and in other fields of mutual interest are taking a positive course.

Romania and Bulgaria fruitfully collaborate in the international life, to lessen tension in inter-state relations, halt the arms race and build a world of peace and international collaboration.

Official Talks Begin

AU202209 Bucharest AGERPRES in English 1930 GMT 20 Dec 85

[Text] Bucharest, AGERPRES 20/12/1985 -- Official talks between Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, and Todor Zhivkov, general secretary of the Central Committee of the Bulgarian Communist Party, president of the State Council of the People's Republic of Bulgaria, started in Bucharest, on Friday, December 20.

Expressing his satisfaction for the new Romanian-Bulgarian summit, the RCP and Romanian state leader also voiced his belief that the views to be exchanged on the occasion, and the accords to be reached would contribute to the further strengthening of the Romanian-Bulgarian collaboration and cooperation, both bilaterally and internationally.

The party and state leader of the People's Republic of Bulgaria evinced his satisfaction at meeting again with Nicolae Ceausescu, at exchanging views on problems of common interest and expressed the belief that the new Romanian-Bulgarian summit would contribute to the more powerful development of the traditional relations of friendship and collaboration between the two parties, countries and peoples.

The two party and state leaders exchanged views on the current stage of bilateral relations and the way in which decisions made and understandings reached during previous Romanian-Bulgarian summits are being implemented, taking satisfaction in the progress registered in the relations between the two countries and peoples in all fields of activity -- political, economic, technico-scientific and cultural.

The sides considered that wide possibilities were still at hand for a further diversification of the Romanian-Bulgarian collaboration -- on third markets included -- in the basic branches of the two countries' economies, for a development of the cooperation and specialization in production under modern forms, for an intensification of the trade between Romania and Bulgaria in keeping with their continuously growing economic potential.

The sides expressed the wish to work further in order to confer new dimesions on the mutually advantageous economic collaboration between Romania and Bulgaria in various domains.

The sides considered that a continuous expansion of the Romanian-Bulgarian relations met the interests of both countries and peoples, of their continuous thriving, served the general cause of socialism, peace and international collaboration.

Nicolae Ceausescu and Todor Zhivkov also exchanged opinions on international political issues.

In the context stress was laid on the topicality of the conclusions and appreciations issued last summer, during the Sofia meeting of the socialist countries member in the Warsaw Treaty, as well as the recent Prague interview of the leaders of those states, related to the evolution of the international life. The sides considered that it was imperiously necessary for all the states and advanced forces everywhere to collaborate more and more tightly in view of halting the dangerous course of events towards confrontation and war, passing on to concrete disarmament measures, nuclear disarmament measures in the first place, to safeguard the people's sacred right to existence, to a free and dignified life, to peace.

Special stress was laid on the implementation of the European security, emphasis falling on the fact that efforts need be further made for a passage to concrete disarmament measures, nuclear disarmament in the first place.

Related to the developments in the Balkans, the sides highlighted the need for a development of the bilateral and multilateral collaboration among the countries in the zone in view of turning the Balkans into a region of peace, good neighbourliness, understanding and collaboration, free of nuclear and chemical weapons, as well as foreign military bases.

The convinction was expressed that a strengthening and deepening of these relations met the interests of the peoples in this geographic area, the cause of peace and security in Europe and throughout the world.

The talks proceed in a warm atmosphere of friendship, mutual esteem and understanding.

Ceausescu, Wife Give Dinner

AU202051 Bucharest AGERPRES in English 1938 GMT 20 Dec 85

[Text] Bucharest, AGERPRES 20/12/1985 -- Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, and Mme Elena Ceausescu gave an official dinner in honour of Todor Zhivkov, general secretary of the Central Committee of the Bulgarian Communist Party, president of the State Council of the People's Republic of Bulgaria, on Friday, December 20.

During the dinner, which passed in a warm atmosphere of friendship, Nicolae Ceausescu and Todor Zhivkov raised toasts.

STANCE ON TERRORISM, LIBERATION MOVEMENTS CITED

LD202222 Belgrade TANJUG in English 0958 GMT 20 Dec 85

[Text] Belgrade, Dec 20 (TANJUG) -- Yugoslavia has always maintained a clear and consistent position on terrorism, insisting that one must not regard this phenomenon with double morals, the Belgrade daily VECERNJE NOVOSTI writes today.

Noting that liberation and other movements have often been wrongly accused of terrorism, the daily says that such an attitude "equates the legitimate struggle of peoples and movements for national and social emancipation" with "unscrupulous terror on the part of individuals and groups."

This problem was discussed during the recent visit to Belgrade by U.S. Secretary of State George Shultz, the daily writes. Noting that differences in the two countries views on international terrorism still exist, Yugoslavia repeated that "one must distinguish between terrorism and liberation struggle against aggression, racism, occupation and colonialism," the daily concludes.

FEDERAL GOVERNMENT CRITICIZED OVER PENSION LAW

LD221438 Belgrade TANJUG in English 1755 GMT 21 Dec 85

["Criticism of Federal Government" -- TANJUG headline]

[Text] Belgrade, December 21 (TANJUG) -- Due to the unfavourable economic situation in the country, the Yugoslav Government has become the frequent target of criticism not only by the Parliament, prominent politicians and economists, but also Yugoslavs faced daily with increasingly higher prices.

The article "Who Does the Government Listen To?" published in today's issue of the Yugoslav daily VECERNJE NOVOSTI, however, is unprecedented in the sharpness of its criticism of the Yugoslav Government's activities.

The article was prompted by a Federal Government proposal that Article 25 of the new Pension Law, which envisages the re-valorization of pensions to the benefit of pensioners, be applied from January 1988. Contrary to this, all ranking political forums in Yugoslavia, from the League of Communists to the largest political organization -- the Socialist Alliance and the trade unions, strongly urge that the new law take effect without delay -- from January 1, 1986.

"Pensions are neither charity nor social aid. People who worked until recently earned them honestly", it was pointed out at a session of the Yugoslav Socialist Alliance. At a number of other meetings, it was set out out that pensioners in Yugoslavia are the strata of the population which bear the heaviest burden of the current economic stabilization. At least two million pensioners receive a monthly pension whith barely covers the costs of elementary existence.

"The country's financial situation and the increasing shortage of funds in the economy and society should be kept in mind, but one should also bear in mind the dignity of people who have ended their working days", VECERNJE NOVOSTI writes, commenting on the decision of the Federal Government to, contrary to general opinion, go through with the proposal, unfavourable for pensioners.

The commentary writes in conclusion that if the government undertakes an official procedure to adopt a "proposal which ignores all opinions and assessments", one must raise the question: "Has the government forgotton whose organ it is".

SERBIA'S 5-YEAR PLAN REQUIRES CORRECTION

LD230001 Belgrade TANJUG Domestic Service in Serbo-Croatian 1425 GMT 20 Dec 85

[Excerpt] Belgrade, 20 Dec (TANJUG) -- Before the adoption of the final draft of Serbia's new 5-year plan, some parts of its will have to be corrected. It was assessed today at the Serbian Presidency session that the plan is still a list of wishes and not realistic possibilities.

In his introductory address, Milos Milosavljevic, vice president of the Executive Council, recalled that expected major changes in the economic system have not come about and that Serbia's economic decline is becoming more acute. Investments have becoming more acute. Investments have fallen to a level below which serious consequences for development arise. Twenty-two percent of the economy's income is being spent on interest for domestic credits. The selection of priorities, according to Milosavljevic, is one of the key questions of planning, in order to prevent a further widening of the technological gap with the developed world. Apart from this, he recalled, Serbia in the next 5 years has to repay a foreign debt of about $5.4 billion.

The level of obligations toward the federal fund for crediting the less developed regions is also of vital importance for the ability of the economy to realize the set goals, as is the question of whether appropriate measures will be taken to overcome Serbia's relative backwardness in economic development, Milosavljevic said. It was noted in the discussion that, contrary to views calling for a re-examination of certain rights, new rights and duties are being proposed, or rather an increase in the participation of certain general and common needs in social production, both at federal level and in the republics and municipalities.

There are also a large number of demands from the economy for greater material interventions on the part of the republic, but they should, it is envisaged, be reduced by one-quarter in relation to the current plan period. Pressures on these funds must be withstood, because this contributes to inflation. Republic measures must be introduced to make more difficult and frustrate investment in uneconomic and unproductive projects, in new buildings for banks and insurance institutions, and buildings for management which can wait until better times.

SUKOVIC RETURNS FROM PRC, MAKES STATEMENT

AU211659 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 21 Dec 85

[Text] Mijat Sukovic, vice president of the Federal Executive Council, has returned from an official visit to the PRC. He has stated that the Yugoslav economy as a whole is in a position to contribute to meeting a part of the development requirements of the PRC. In an interview with a TANJUG editor, Sukovic stressed that through ties with the PRC economy, our economy can favorably and lastingly ensure its supply with a significant part of the raw materials, production materials, and equipment available in the PRC which meet world standards.

The talks with the highest Chinese leaders were primarily devoted to the advancement of bilateral economic cooperation. According to Sukovic, the Yugoslav economy has a chance, particularly in the food industry. [sentence as heard]